

The People's Freight Railway Co.



APPLETON'S
RAILWAY MAP
OF THE
UNITED STATES
AND
CANADA

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The People's Freight Railway Co.

Cheap Transportation between the West and the East, is the great want of the people of the United States. The farmers of the West want it that they may reap sufficient compensation for the products of their farms. In the East the manufacturers want it that they may procure food-supplies and raw material for their manufactories at a price that will enable them to meet the competition of foreign countries. The merchants want it that they may undersell other countries in supplying Europe with the large amount of cereals it must import. The laborer and mechanic want it that the wages they receive may bring greater comfort to their homes.

It is obvious that our present system of railways cannot relieve this want; while canals, by the inflexibility of their course, the limited area which they can reach, and the slow transit through them, afford only partial relief. They are liable to serious interruption from breakages and leakages, and at the season of the year when crops are harvested and transportation facilities most needed, they become utterly useless through the action of the winter frosts. From November until May the water routes from the West to the East are closed and transportation facilities reduced one half, at the very time when the granaries of the West are filled with produce awaiting transportation, an opportunity which is always eagerly seized for raising railroad freights to the highest point, the consequence being that the farmer must either hurry his crops to market before the close of navigation, thereby producing a condition of things similar to a glut in the market, or submit to extortionate winter rates of transportation.

To meet this want, obviate these difficulties and afford the desired relief, the PEOPLE'S FREIGHT RAILWAY COMPANY has been organized.

Its scheme is founded upon the theory that the General Government alone cannot provide the desired means of cheap transportation without establishing a precedent of the most doubtful constitutionality. The right of eminent domain within the jurisdiction of an organized State, has never been exercised by it. Nowhere in the United States Constitution is this right explicitly granted. The advocate of strict construction of the fundamental law would bitterly oppose the first attempt to exercise it, on the ground that to do so would tend to such centralization of power in the Federal Government as would inevitably destroy our liberties and end in despotism.

It is founded upon the further theory that any new railroad between the West and the East, under private corporate control, will furnish no material element in solving the problem of cheap transportation, unless it be provided with some certain protection against the control and influence of such great railroad corporations as the Pennsylvania and the New York Central.

And upon the further theory, that a new railroad between the East and the West can be made to carry freight as cheaply, if not more cheaply, than can be done by water transportation, if it be honestly constructed, for the ready cash, in the most judiciously economical manner, of the three feet gauge, with double tracks and low grades ; *provided* the railroad company owns the road-bed and tracks, and individuals and firms who wish to become common carriers own and operate the trains, paying the railroad company prescribed tolls, the trains being moved at a uniform speed of, say ten miles per hour, and there being full business for the capacity of the road thus managed.

And upon the further theory, that one such railroad between the West and the East, thus built and managed, will act as a regulator to compel existing lines, to aid in accomplishing cheap transportation. And upon the theory also, that if all those at the East as well as the West, who are interested in cheap transportation, can be brought into efficient co-operation, the task will not be a difficult one to build such a railroad for the ready cash, because 400,000 persons taking one hundred dollars worth of stock each, will furnish all the capital necessary to

construct it from New York Harbor to the Mississippi River.

The usual practice in building railroads is this. Parties who are interested in obtaining a contract, work up the scheme, obtain a certain amount of local stock subscriptions, and then procure the contract for themselves, which is given at large prices. To raise the remainder of the funds, which is usually a very large part, bonds are prepared and sold at a great discount, often not realizing to the company more than fifty cents on the dollar. The New York Central Railroad was formed by the consolidation of a number of railroads which had been built upon this plan. In the consolidation agreement, the Troy and Schenectady Railroad, a road that was not necessary to the formation of a through line of railroad, the stock of the company being then worth only ten cents on the dollar, was made the basis of the arrangement and put into the concern at its par value. Other links of the line were allowed premiums varying from fifty to seventy per cent. The stock of the Utica and Syracuse Co. was put in at one hundred and seventy, while that of another Company, organized to construct a road between Utica and Syracuse, but which had done no work whatever, was put in at one hundred and sixty-eight, and a similar one between Utica and Schenectady, which had also done no work, was put in at one hundred and fifty-five. In addition to the regular cash dividend of eight per cent. per annum, there were frequent stock dividends, and upon the top of all this the Vanderbilt regime have added eighty per cent. more water.

The Pittsburg, Fort Wayne and Chicago Railroad Company is another whose road was built by selling bonds at a great discount. When its road was leased to the Pennsylvania Railroad Co., its stock was watered to the extent of eighty per cent. of the original capital, raising its apparent cost to \$70,000 per mile. Many hundreds of thousands of dollars have been expended in changing the Pennsylvania road to the requirements of a through line; old expensive work being abandoned for the new costly lines. That dividends may be paid on all this watered and unjust capital stock, the produce of the West must submit to enormous burdens in its transit to the seaboard.

A company which shall build for the ready cash, a railroad to compete with such roads, and protect its stock from the watering process, especially if it build with the three feet gauge, will have to earn dividends on a capital stock amazingly reduced as compared with those of the New York Central and Pennsylvania Railroad companies. The amount of business which a railroad can do when built with double track and low grades, if the trains are moved at a uniform speed of ten miles per hour, is increased manifold over what can be accomplished by a road doing a mixed passenger and freight business, where the freight trains spend much of their time lying on side tracks or moving at high speed to get out of the way of swift passenger trains. The wear, tear, and breakage of freight trains moving at a uniform speed of ten miles per hour, is infinitely less than that of trains moving twenty and thirty miles per hour. The average actual time on existing roads, of a fast freight train between Chicago and New York, is eight miles an hour, and to accomplish this, it is necessary much of the time to run at the rate of thirty miles per hour, because required so much of the time to lie on side tracks to keep out of the way of swift passenger trains. When the railroad company shall own the road-bed and track of a double track railroad, and individuals and firms, who wish to become common carriers, shall have the right, on paying prescribed tolls, to place trains on and use the tracks, by conforming to a uniform speed, great reduction in the cost of transporting freight can be accomplished. Where a train is operated by a few individuals who are owners or part owners therein, vastly greater economy would be practiced than is possible where men are mere employees and one man attempts to see that each of 10,000 or 20,000 cars is every day in the year at just that point where it will earn most for the company, that being what is required of the superintendents of some of the existing railway companies.

When a Railroad Company, having a double track road, undertakes only to furnish the road-bed and tracks for others to place trains upon, and obtain its revenue from tolls upon the trains, just as upon the great Erie Canal tolls are levied upon the boats, its business is so simplified as to greatly reduce the chances of waste and dishonesty

in the management of its revenues. If the Railroad Company owns only the track and requisite switches, weighing scales and collection offices, it has divested itself almost entirely of perishable property, one of the worst sources of leakage to any great corporation. The ownership of all warehouses and passenger stations should be avoided by any railroad company, seeking to attain the greatest economy in management. The Erie Canal management is confined to furnishing the medium on which to move boats. The business of the railway company should likewise be confined to furnishing the medium on which to move trains. If the boatman and warehouseman are sufficient to transact the business through the Canal, the trainman and the warehouseman should be sufficient for the business passing over the railroad, where it performs the same functions as the canal.

If a railroad built and operated in the manner above set forth, could have full business for trains moving at the rate of ten miles per hour, three and one-third miles apart, freight could be moved over it at one-third the rates now charged on existing lines between the West and the East, and at the same time earn dividends upon the capital invested in construction, at the rate of ten per cent. per annum, while the common carrier operating thereon would become rich in the business. A railroad operated upon this plan would so reduce the cost of transportation, that new and unknown demands for transportation would spring up so as to fill the capacity of the road. If thereby freight can be reduced permanently to one-third existing rates, articles requiring transportation can be carried three times as far for the same money as may now be done. For instance, under such reduced cost of transportation, the owners of a cattle train could load with anthracite coal for return freight, and deliver it upon the banks of the Mississippi River at rates which would find an unlimited demand, while giving the train men profitable remuneration for the transportation. A railroad operated as aforesaid would effect such reduction in the cost of transportation as would make it possible for the producer to obtain more for his products, and at the same time enable the consumer to purchase his supplies cheaper. As it now is, the high rates of transporta-

tion prevent the Western farmer from realizing the advantage of high prices at the East, and the Eastern consumer for the same reason fails to reap the benefit of low prices in the West. Moreover reducing the cost of transportation enlarges the foreign demand. The question of foreign demand is a question of cheap transportation, because it is thereby rendered possible for us to undersell other countries which seek to supply Europe with grain and other produce. The question of increased production in the great West is one of cheap transportation, because cheap transportation increases the foreign demand for our produce at rates remunerative to the Western producer.

A railroad operated as aforesaid, would open up an immense field for those who might wish to engage in the business of common carrier. Parties consisting of a half dozen men, could be made up, to own and operate a train upon the road. They would thus secure profitable and pleasant employment for their time and labor, while realizing handsome returns for the use of their money. The fact that the road-bed is free to all, and that whoever chooses, may put on a train and run it on the same footing as others, by the very competition it will engender, will reduce the rates of transportation to the proper minimum. This competition on the same road-way will settle the vexed question of pro-rata charges for carrying freight, because there is no reason why a higher rate per mile should be charged for running a small number of miles over the road than a large number, as there is no more wear of the road-bed in running over one mile by itself, than if it is one out of a thousand. The cost of handling will of course be governed by competition between common carriers and between warehousemen. Immense amounts of capital would thus be brought into the business of cheapening transportation, which would never be entrusted to the custody of any transportation corporation. The cost of a great trunk line of railroad from New York to the Mississippi River, constructed with the three feet gauge and double track, as hereinbefore set forth, upon the route selected, is estimated at \$40,000,000.

The ROUTE SELECTED FOR THE RAILWAY of The People's Freight Railway Company, is, through its whole length,

favorable for obtaining low grades, at slight cost, with a small per centage of increase in distance over that by a straight line. It is also favorable for throwing off branches over routes admitting of cheap construction and light grades, to all the principal cities and centres of the West, as well as to Baltimore and Philadelphia, in the East, thereby rendering it easy to attract full business for the road. Through this trunk line and such branches, railway routes may be opened from all the great cities and centres of the West to New York, Philadelphia and Baltimore, as short or shorter than existing routes. The distance from New York to Pittsburg by the new route, is sixty miles less than that by the Pennsylvania Railroad. Every mile of the new route from the New Jersey, to the Ohio line, is filled with material for profitable local freight, in the rich mines of coal and iron ore which abound along the whole line. The new road is precluded from passing directly through Philadelphia, that city having established a park which extends from the solidly built portion of the city to the Montgomery County line, a distance in a straight line of about twelve miles. A contract has been made between the city and the State of Pennsylvania, whereby the State is forever prohibited from authorizing any railroad to be built across, or above, or under the park. For this reason it became necessary to select a route for the new road, from which Philadelphia must be reached by a branch railroad. The distance, however, from Philadelphia to Pittsburg by the new route and the branch, is practically as short as that by the Pennsylvania Railroad, owing to the more favorable grades of the new route.

About seven hundred miles of railroad of the three feet gauge have been constructed in the United States, within the last two years. These roads have proved that for all kinds of freight, the cars of the three feet gauge are all that is requisite, while the first cost of road-bed, track and rolling stock, as well as the operating expenses, do not exceed two-thirds those of the standard gauge of 4 ft. 8 1/2 in. The road-bed for a double track road of the three feet gauge, is required to be only two feet wider than for single track of the standard gauge. The cost of a double track road, of the

three feet gauge, exclusive of depot and station-houses, would not exceed the cost of a single track road of the standard gauge with stations and depots, and if the rolling-stock is furnished by others than the Company, the cost of a double track road of the three feet gauge would be much less than the cost of an ordinary single track road of the standard gauge. What may be accomplished upon a double track road of the three feet gauge, operated as aforesaid, may be judged from the following estimate for a train consisting of a locomotive, twenty freight cars and a caboose or living car, having a carrying capacity of 200 tons, and operated by six men who are owners or part owners of the train.

CAPITAL INVESTED IN TRAINS.

One 15 Ton Locomotive,	\$7,500
Twenty Box Cars and Caboose, . .	10,500
Total Cost of Train,	\$18,000

Estimate of common Carrier's profit in transporting 200 tons of freight to New York Harbor from Chicago or a point 1000 miles West of the Seaboard, at the rate of 7 1-2 mills per ton per mile, allowing fourteen days for the round trip.

Common Carrier's charge,	\$1,500
Deduct tolls of the Railroad Co., at 2 1-2 mills per ton per mile, . . .	\$500
Deduct for wear and tear of train at ten per cent. per annum on capital in- vested in train, for the trip, . . .	\$70.00
Wages of six men for the trip, . . .	\$252.00
Fuel for the trip,	\$120.00
Incidentals for trip,	\$28.00
Total,	\$970.00
Common Carrier's Profit,	\$530.00
Common Carrier's profit for 26 trips, or for one year, on an investment of \$18,000,	13,780.00
To the Railroad Co., with trains moving at the rate of ten miles per hour, three and one-third miles apart, with full business, the revenue from tolls for one day would be,	36,000.00

Making the annual revenue from tolls from trains passing one way, at the rate of ten miles per hour, three and one third miles apart,	\$11,232,000.00
Dividends on cost of road at the rate of ten per cent. per annum, would amount to	\$4,000,000.00
Leaving from the earnings of one year after paying ten per cent. dividend on cost of construction,	\$7,232,000.00

A sum which it may reasonably be calculated will vastly exceed what is necessary to pay all expenses for taxes, salaries of collectors, superintendents, track repairers, etc., and leave a balance for a sinking fund, sufficient to build branches and re-build the road as often as required. The times are favorable for building a railroad which shall provide the cheapest possible transportation between the great West and the East. The shrinkage in the value of iron and the cost of labor, renders it possible to build a railroad much cheaper than it is likely may ever be done hereafter.

If, by the construction and operation of a railroad between the West and the East, in the manner hereinbefore set forth, transportation can be cheapened to the extent claimed; it is manifest that any company proposing to construct such a railroad, must provide some certain guaranty that it will be permanently maintained in the interest of cheap transportation; otherwise it will surely fall under control of those having opposite interests, and be operated in the interest of high transportation rates. Such guaranty can only be secured through control of the stock of the Company, and can be effected as follows:

If the owners of one half the stock convey the same to a trustee in trust for a term of years, naming in the deed of trust, the conditions upon which, and the manner in which, such stock shall be voted at all elections of or by the stockholders, making the conditions such that no hostile corporation or party can ever acquire any control over the management of the affairs of the Company, then the guaranty will be absolute.

Such a plan has been adopted for securing the permanent independence of the People's Freight Railway Company. This Company has been formed by the merging together, under the general railroad consolidation law

of Pennsylvania, of The Bendersville, The Bendersville Extension, and The Sherman's Valley Railroad Companies, the same being corporations existing under the laws of Pennsylvania, and authorized to construct railroads, which will, when constructed, connect together and form a continuous line of railroad across the State of Pennsylvania, from New Jersey to Ohio. These three Companies, by virtue of their charters and the laws of Pennsylvania, were invested with powers, which being combined, furnish in connection with the general railroad laws of New Jersey, Ohio, Indiana and Illinois, all requisite corporate authority to construct a great trunk railroad from the Atlantic to the Mississippi River. Corporations may be organized under the general railroad laws of each of those States, and consolidated with The People's Freight Railway Company, so as to form one corporation, with power to construct and operate a continuous railroad from the Atlantic to the Mississippi River; ample consolidation laws for that purpose being on the statute books of each of the States named. The People's Freight Railway Company has been so organized that the formation of companies in the States other than Pennsylvania, and consolidation of them with it, is a merely formal matter. In order to get one-half of the stock of The People's Freight Railway Company into hands able to convey it to a trustee, it was necessary to take it out of the legal ownership of the Company and make it full paid, and free from all assessments or liens. The arrangement for accomplishing this being such that when completed, all the equitable interest in all of the common stock of the Company, and all right to dividends thereon, would still remain in the Company; the voting power only having been conveyed in the deed of trust. To accomplish this, The Bendersville Railroad Company, whose capital stock, in conformity with the provisions of its charter, had been increased to, and fixed at 2,000,000 shares, one-half preferred, and one-half common stock, made an agreement with a responsible party, to give him the whole of its common stock which had not been subscribed for, full paid and free from all installments or liens, in consideration of his agreeing to procure the remainder of the shares of said common stock from the owner or owners thereof, and cause the consolidation of

The Bendersville Extension Railroad Company and The Sherman's Valley Railroad Company, and their stocks, property and franchises, with those of The Bendersville Railroad Company, such merger and consolidation to be effected so as to form the People's Freight Railway Company, and in further consideration of his agreeing to cause the whole of the common stock of such People's Freight Railway Company to be conveyed to a Trustee in trust for a term of years, by a deed of trust, of which the following is a copy :

COPY OF DEED OF TRUST.

Whereas, The Bendersville Railroad Company, and The Bendersville Extension Railroad Company, and The Sherman's Valley Railroad Company, have heretofore, by due compliance with the laws of Pennsylvania, been organized to construct railroads in Pennsylvania, which, when constructed, will connect together and form a continuous line of railroad :

And, Whereas, The said Railroad Companies by due compliance with the laws of Pennsylvania in such case made and provided, have become merged and consolidated together into one Company, styled "The People's Freight Railway Company," with a perpetual charter, not subject to forfeiture, with power, among other things, to construct and operate a continuous line of railroad across the State of Pennsylvania, from the New Jersey to the Ohio State line, and power to control corporations to be organized under the general railroad laws of New Jersey, Ohio, Indiana and Illinois, so as to control, construct, maintain and operate a continuous line of railroad from the City of New York to the Mississippi River ;

And, Whereas, The capital stock of The People's Freight Railway Company has been fixed at 2,000,000 shares, of fifty dollars each, whereof one-half is classed as preferred stock and one-half as common stock, both classes of said stock being entitled to equal privileges at all elections or meetings of or by the Stockholders, but the preferred stock actually issued to be entitled to receive dividends out of the net earnings, if any, in any year, at the rate of seven per centum per annum, before the common stock can receive any dividends out of the net earnings for such year ;

. *And Whereas,* _____
 has, by virtue and in pursuance of the terms of the terms of the agreement of merger and consolidation between said three Companies, become the legal owner and holder of the whole of the common stock of The People's Freight Railway Company.

And Whereas, The said _____ in common with many other good citizens of the United States, desires that the Railway of The People's Freight Railway Company, from New York to the Mississippi River, shall be honestly constructed for the ready cash, in the most judiciously economical manner, and maintained and operated as a line of railway independent of all control or influence of or by existing or other Railway and Transportation Companies, and be kept free, so that all who desire to engage in the business of common carriers, may, by paying prescribed tolls, place their trains thereon, to be moved under uniform reasonable regulations of the company;

Therefore, Know all men by these presents; That I, _____, aforesaid, have assigned and transferred, and by these presents do assign and transfer to the Farmers' Loan and Trust Company of New York, trustee, one million shares of the common capital stock of The People's Freight Railway Company, to be held by the said Farmers' Loan and Trust Company and its successor or successors, in trust, for nine hundred and ninety-nine years from the date hereof, for the use and benefit of the said People's Freight Railway Company as cestuique trust*, under the deed of trust and for the special purposes and upon the trusts hereinafter mentioned;

That is to say; upon the trust that the treasurer of The People's Freight Railway Company shall receive all dividends that may from time to time become due and payable upon the said common stock, and distribute the same ratably among the persons or parties who, at the time such dividends may be declared, may have become the equitable owners of the said common stock by successive transfers from The People's Freight Railway Co., as cestuique trust, duly made on the proper book to be prepared and kept by the company, for the transfer of

* Cestuique trust (pronounced set-a-ka trust) a legal phrase, meaning the party or parties for whose benefit the trust is held.—See *Bouvier's Law Dictionary*.

the equitable interest in the said common stock held in trust; and, upon the further trust, to transfer the whole of said common stock, absolutely and unconditionally, at the expiration of the said term of nine hundred and ninety-nine years, fully discharged from the said trust, to the person or persons, party or parties, who may have become the equitable owners thereof, by transfers duly made as aforesaid from time to time, appearing on the said book for the transfer of the said equitable interest.

And upon the further trust, that, during the existence of the said trust, the whole of the said common stock, to wit: one million shares thereof shall be voted at all elections or meetings of or by the Stockholders of the said The People's Freight Railway Company, by proxy to be named in writing, by the President of the United States, the American Cheap Transportation Association, the National Grange of the Order of Patrons of Husbandry in the United States, and by the Boards of Trade of the cities of Chicago, Illinois; Cincinnati, Ohio, and St. Louis, Missouri. The President of the United States the said American Cheap Transportation Association, the said National Grange, and the said Boards of Trade to be entitled to one vote each in the election or naming of said proxy. The majority of all of said six votes being requisite to choose the proxy to vote said one million shares of said common stock; but no part of the said common stock shall ever, during the existence of said trust, be voted so as to give to any company or companies, corporation or corporations, party or parties, which may own, control or operate any competing or other line of transit or travel, any power or control over the management of the affairs of The People's Freight Railway Company, directly or indirectly, or so as to defeat or embarrass the construction, maintainance and operation of its lines of railway independent of all lines now existing or which may hereafter exist, or so as to encumber The People's Freight Railway Company, its property or franchises, by any lease, bond, mortgage, or other lien of, or upon its property or franchises, or so as to accomplish what is known as watering the stock of the Company, or so as to dispose of any of the preferred stock of the Company or the interest as cestuique trust of the Company in any of the common stock of the Company, except for the par value thereof,

to be paid into the treasury of the Company in cash or its just equivalent. And no part of said common stock shall ever, during the existence of said trust, be voted for any person to be President, Vice-President, or Director of said People's Freight Railway Company, who shall not have first subscribed and sworn or affirmed to, a solemn oath of the form following, to wit :

FORM OF OATH.

I,———of———desiring to become a Director of The People's Freight Railway Company, do hereby solemnly swear that I have no interest in, or connection with any company, corporation or party engaged or interested in transportation, which may be or become a competitor of The People's Freight Railway Company. That I have no interest directly or indirectly in any contract with The People's Freight Railway Company, whether for construction of any of its railways or for furnishing material therefor, or for transportation thereon, or otherwise, and that if I shall be elected or appointed to the position of Director of said People's Freight Railway Company, I will, during my occupancy of the said position of Director, discharge its duties faithfully, to the best of my ability. That I will neither do any act, or cast any vote, while in the position of Director of said company, calculated to give to any other company, corporation or party, any control over the management of the affairs of The People's Freight Railway, or to create any lien upon the company, its property or franchises, whether by lease, bond, mortgage or otherwise, except for wages, construction and materials, and then not beyond an amount to pay for which funds have previously been provided by sales of the Company's stock. That I will do no act, nor cast any vote to render myself directly or indirectly interested, nor collusively to render any of my friends interested in any contract for the construction or operation of its railways, or in furnishing material or supplies to the company, or in the business or transportation as a common carrier of freight or passengers over the works owned, leased, controlled or worked by the People's Freight Rail-

way Company ; or to accomplish what is known as watering the stock of the company ; or to dispose of any of the preferred stock of the company or the interest of the company as cestuique trust in any of the shares of the common stock of the company, otherwise than for the par value thereof, to be paid into the Treasury of the company in cash or its just equivalent, or to promote any collusive or other arrangement with any company, corporation or party, whereby to hinder or prevent the Railway line of The People's Freight Railway Company from being constructed, maintained, and operated in the most judiciously economical manner, independent of all other lines, so that all who wish to engage in the business of common carrier may place their trains thereon to be moved in conformity to uniform reasonable regulations of the Company. That I will, while such director, faithfully endeavor to so discharge the duties of the position as to reduce transportation between the West and East to the minimum of cost, while making it earn proper dividends upon the actual cost of constructing the railways of the company.

In witness whereof I have hereunto set my hand and seal, this———day of———

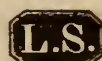
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And, if any vote shall ever, during the existence of said trust, be cast upon any of said common stock otherwise than as hereinbefore prescribed and limited, such vote shall be absolutely void. It being understood and agreed that the Farmers' Loan and Trust Company aforesaid, shall in no manner be responsible for the effect of votes cast at any election or meeting by the Company, or for any act or acts of the Treasurer of the Company.

If, for any reason, the said Farmers' Loan and Trust Company shall ever, during the existence of the trust, cease to exist, then a successor or successors thereto may be appointed by the same parties in the same manner that the said proxy is to be appointed. The owner or owners of any of the preferred stock to be issued by The People's Freight Railway Company, shall be entitled to all legal and equitable remedies for the enforcement of the provisions of this trust as fully as if he or they were a party

thereto. In witness whereof I have hereunto set my hand and seal, this——day of——1874.

Signed in the {
presence of }



*
All the conditions of said contract were fulfilled. The foregoing deed of trust conveying the common stock was executed and delivered to the Trust Company and the power to vote the whole of the common stock of the company was thereby conferred upon the President of the United States, the American Cheap Transportation Association, the National Grange and the Boards of Trade of Chicago, Cincinnati and St. Louis, for nine hundred and ninety-nine years, to be exercised as prescribed in the deed of trust. All other interest in all the common stock whether in dividends which may be earned thereon, or otherwise, was vested in the company. The Directors of the company were prohibited from selling the same otherwise than for its par value, to be paid into the Treasury of the company, hence, the common stock can only be used for the interest of the company. If it shall be found for the interest of the company to sell its interest as cestuique trust in any of the shares of the common stock, the same may be sold and transferred to any purchaser thereof, by a transfer in such form as the following:

“For value received, The People’s Freight Railway Company hereby sells, assigns and transfers to A.——— B.——— its interest as cestuique trust in one hundred shares of the common capital stock of The People’s Freight Railway Company, subject to the conditions of the deed of trust from ————— to the Farmers’ Loan and Trust Company, dated the ——day of——1874.

Witness the corporate seal of the company, attested by the signatures of the President and Secretary, this ——day of——A. D.

The purchaser from the company, of its interest as cestuique trust in any of the shares of the common stock, becomes by such purchase, the cestuique trust as to the number of shares purchased, and may transfer the same

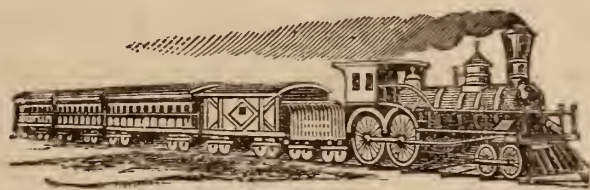
* The party to whom the common stock was thus conveyed, holds himself ready for the consideration of one dollar to convey it to the trustee.

to others by a form of transfer similar to that above given for the company. The company may issue to any purchaser of the common stock in trust a certificate of ownership, which will entitle the holder thereof to receive all dividends and other benefits to which the number of shares of the common stock in trust purchased by him may be entitled, in such a form as the following:

THE PEOPLE'S FREIGHT RAILWAY COMPANY,

No.

..... Shares.



HELD IN TRUST.

Common Capital Stock.

Shares, \$50 each.

This is to Certify, That the interest as cestuique trust of The People's Freight Railway Company in one hundred shares of the common capital stock of said Railway Company has been duly transferred to A. B.—of —on the proper book for the transfer of common stock in trust of said company, and that the same is now held by the Trustee to which the common stock has been conveyed, for the use of the said A.—B.—, subject to the conditions of the deed of trust endorsed hereon,* transferable only on the said book (subject as aforesaid,) by the said A.—B.— or his attorney, at the office of the Railway Company in the City of New York, on the surrender of this certificate.

Witness the Corporate Seal of the Company, attested by the Signatures of the President and Secretary, this —day of—A. D.

The common stock, in the condition in which it has been placed, is not entitled to receive dividends until after the preferred stock, but the Company, by the terms of its charter, is empowered, if deemed best, to guarantee such dividends thereon, as will place the common stock in trust, upon equal footing with the preferred stock, and

*A copy of the Deed of Trust is printed on the back of the Certificate

as the common stock in trust, as well as the preferred, can only be sold at par, for cash, it may be equitable thus to place them on the same footing.

Subscriptions to the preferred stock of the Company are made to a subscription contract in form as follows, to wit:

“The undersigned hereby severally and respectively subscribe to the number of shares in the preferred capital stock of The People’s Freight Railway Company, (formed by consolidation together of The Sherman’s Valley Railroad Company; The Bendersville Railroad Company, and The Bendersville Extension Railroad Company,) set opposite our respective names, and do hereby covenant and agree each for himself, his executors and administrators, to and with the said Company, to pay the sum of Fifty Dollars, in installments of Five Dollars each, for each and every share of said stock, as the same may be called for by the directors, provided that not more than one installment shall be called for and paid within any one period of thirty days.

This subscription is subject to the arrangement, whereby the whole of the common stock of the Company has been made full paid and conveyed by the owner thereof to a trustee, in trust for 999 years and to the conditions of said trust.

The interest of the cestuique trust in said common stock having been donated and transferred to the treasury of THE PEOPLE’S FREIGHT RAILWAY COMPANY; this subscription is also subject to the right of the Company, to sell said interest in said shares of said common stock, and guarantee interest on the same not exceeding seven per centum per annum.

In witness whereof, we have hereunto severally set our hands and seals at the several dates written against our names respectively.”

The distinction between the two classes of stock (common and preferred,) was created to produce a condition of things which would make the contract whereby the common stock was taken out of the ownership of the company, a reasonable contract, and also to provide a convenient method of distinguishing the stock which had been placed in trust from that which had not been so placed.

The common stock of The Bendersville Railroad Company being in the nature of a depreciated stock, owing to the preference given to the preferred stock, it was reasonable to convey so large an amount of it as a consideration for the protection thereby secured to the management of The People's Freight Railway Company, into which The Bendersville Railroad Company was to be merged, a protection without which the success of The People's Freight Railway Company was utterly impossible. The holder of the common stock of The Bendersville Railroad Company became, by the terms of the consolidation agreement, the owner of the whole of the common stock of The People's Freight Railway Company, free from all assessments or liens, and therefore able to convey the same to a trustee in trust, so as to secure protection and independence to the management of The People's Freight Railway Company.

The power to vote the common stock of The People's Freight Railway Company has been conferred upon the National Grange and the Boards of Trade of Chicago, Cincinnati and St. Louis, because the interest of the farmers will always be on the side of cheap transportation, and because the Boards of Trade represent commercial interests that in the nature of the case must always continue to favor cheap transportation.

THE METHOD ADOPTED FOR RAISING FUNDS with which to build the railway of The People's Freight Railway Company for the ready cash, is this: The Common Stock in Trust is to be sold by the company, and the money obtained from such sales invested in United States five per cent. registered bonds, to remain so invested until the sum of \$15,000,000 shall have been raised by the company, from sales of its stock, the company meanwhile guaranteeing dividends upon such common stock sold, at the rate of four per cent. per annum. In case the sum of \$15,000,000 shall not have been raised by the company within eighteen months from the first day of January, 1874, then the United States Bonds, which the company may have thus acquired, are to be sold and the money returned to the purchasers of the common stock, in exchange for their common stock.

Whenever the sum of \$15,000,000 shall have been raised by the company from sales of its stock, the num-

ber of miles of its railway, commencing at New York Harbor, which such \$15,000,000 will build, shall be put under contract, and when thereafter, \$5,000,000 more shall have been raised, the number of additional miles which such \$5,000,000 will build, shall be put under contract, commencing at the end of the first section, and in like manner similar connecting sections for each additional \$5,000,000 raised, shall be put under contract, until the whole line to the Mississippi River is completed. While each allotment of \$5,000,000 is being made up, the guaranty of four per cent. dividend shall extend to the same, but when the section of railway on which the \$15,000,000 or \$5,000,000 allotment is to apply, is put under contract and the work of construction commenced, the guaranty of four per cent. dividend shall cease, and the holder of each share of the common stock in trust, of such allotment, shall have the right to exchange the same for a like share of the preferred stock of the company. The net earnings of each of such sections of the railway shall be kept separate and belong and be paid in dividends to the holders of the stock which made up the respective allotment which built the same, until the whole line to the Mississippi River is built, when all the allotments will be placed on one common footing.

The reason for this plan is, that thereby the purchaser of stock of the company will be ensured that the money he pays for such stock, will not be frittered away in futile attempts to build a railroad. As the work of construction is only to be commenced when the money to pay therefor has been raised, such advantage can be obtained in making contracts for construction, as will enable the company to build its railway for the minimum of cost, thereby giving the purchaser of the stock reasonable prospect that it will earn good dividends and be a valuable investment. Until the work of construction commences, every share of stock so purchased will be secured by a like amount of United States Government Bonds. While the funds remain invested in Government Bonds, the company will be able to guarantee four per cent. dividend, because it will be receiving between four and five per cent. from the United States Government, upon a like amount of Government Bonds. No

more than four per cent. will be guaranteed, because it would not be wise for the company to guarantee to the full amount of interest received from the Government, as there must be some expense attending it.

The reason why the four per cent. guaranty is made to cease when the work of construction is commenced, is, that the interest received from the government will cease when the bonds are sold and the funds used in the work of constructing the road. The reason why the common stock is first sold and afterward exchanged for preferred stock is, that many persons living immediately upon the line of the railway, or desiring to have the railway located near them, will subscribe for the preferred stock without requiring any guaranty of interest thereon. This arrangement is so, that all who take the preferred stock shall stand, when they take it, upon the same footing with each other. The reason why the money obtained from sales of stock is first put into United States Government Bonds is, that thereby the United States is made the trustee of the funds while the amounts of the respective allotments are being made up, and until the funds have gone into the construction of the road. No trust or safe deposit company is so secure as a registered bond of the United States Government. If in practice it shall be found best that the railway company shall furnish the motive power, charging the common carriers therefor, as is done by some canal companies, for the reason that a locomotive will not bear to be constantly run, as a stationary engine may, the result will not be materially different from that shown in the foregoing tables.

In the selection of the route for The People's Freight Railway, it is regarded as an absurdity to pretend to build an Air Line Railroad a thousand miles long. In a long line it is not the gradual sweep that increases the distance, but the numerous short curves. In a line of one thousand miles, a gradual divergence at the center, of fifty miles, increases the distance only six miles. In any attempt to build an Air Line Railroad to New York from any given point on the Mississippi River, in Illinois, the inevitable short curves which the surface of the country would compel in the numerous unfavorable locations which such an arbitrary choice of line must necessarily

encounter, there would be added not less than one hundred miles to the distance. The location of 'The People's Freight Railway follows the trend of mountains and great water sheds so as to secure by gradual sweep, the fewest short curves, the smallest per centage of increase over a straight line, and at the same time, low grades, and a line admitting of cheap construction and small expense for maintenance of roadway.

Leaving New York, the route reaches the Delaware River by a line very direct, over level ground, entirely avoiding the mountain ranges of New Jersey. At the Delaware, it enters the 'Tohickon Creek Valley, which, with other connecting valleys, furnishes a direct route to Auburn, in the heart of the anthracite coal region of Pennsylvania, thence it passes through a succession of very straight valleys, in a very direct line to Bedford, Pa., thence in a direct line, the route is carried along a plateau running transversely across the Alleghany Mountains, the Laurel and Chestnut Ridges, to Pittsburg. An easy and direct route from Pittsburg leads out upon the great water shed between the lakes and the Ohio River. Following the course of this water shed, very level land for the location of the road all the way to the Mississippi River, opposite Burlington, Iowa, is found, only interrupted by the Wabash and Illinois Rivers. By following these great water sheds, and thus avoiding the crossing of streams, the expense of constructing and maintaining bridges is greatly reduced, as is also the necessity of adhering to the courses of streams and thereby lengthening the line by their various windings. From this great water shed, an infinite number of natural and easy railroad routes lead down, making it possible to tap the whole adjacent country, by cheap narrow gauge roads, connecting with the trunk line.

The line is projected to Burlington, because at that point, the whole Iowa system of railroads is conveniently tapped. A branch from the trunk line can be built to St. Louis over very level country, admitting of cheap construction, also a similar branch, over similar country to Chicago, also one to Indianapolis, one to Toledo, one to Cincinnati, one to Columbus, and one to Cleveland, all over ground favorable for low grades, and cheap construction and maintenance of roadway.

On Leaving New York, the first gradual trend of the line of the road to the south, makes it convenient to reach Philadelphia by a short branch. The next trend to the North taps the anthracite coal region. The next, to the South, follows the line of richest iron ore, taps the Broad Top and Cumberland coal fields, and makes it convenient to reach Baltimore by a branch. A few miles of branch railroad will reach the Western terminus of the Western Maryland railroad, and through that railroad and the People's Freight Railway, a line from Chicago to Baltimore can be opened shorter than any now in existence or building. The People's Freight Railway will open an avenue from the Cumberland and Broad Top coal fields to New York, sixty miles shorter than any route now used. From Bedford to the Ohio line and some miles beyond, the route passes through the heart of the best bituminous coal lands in Western Pennsylvania and Eastern Ohio. The amount of freight which the bituminous coal field, as well as the anthracite, will furnish to the road, is incalculable. While the location of The People's Freight Railway does not follow an air line, with that reckless disregard of mountains to be ascended, valleys to be spanned, and consequent expense to be incurred, which such a line involves, the line is not appreciably longer than such an air line must be, while the grades are far lower, and the capital required for construction is far less. The line has been located with reference to making it a great trunk line or artery which may tap the whole West, at the smallest cost, and give it the cheapest access to the largest area in the East. There is no doubt that the location selected is the best that could be made for that purpose. The greatest economy in transportation can be attained with a double track road, if supplied with full business, therefore the line is now projected only so far as full business is likely to be immediately secured. It may be extended beyond the Mississippi whenever demanded. The cheapness with which narrow gauge roads can be built will induce their construction from all points along the great trunk line.

While it is not believed that it will take the eighteen months mentioned to raise the \$15,000,000, nor even one year, this length of time is given to allow ample oppor-

tunity, in event of unexpected delay, and the money is invested meanwhile in interest bearing bonds, so that subscribers may have the amplest protection against loss. A method can be suggested whereby it may be raised in much less time than even twelve months.

While in the foregoing statement a speed of ten miles per hour, with trains three and one-third miles apart is mentioned, it is not pretended that such a rate is the arbitrary point at which the most effective and economical management of the road can be attained. A speed of twelve or thirteen miles per hour may be found perfectly consistent with economical management. The figures given demonstrate what may be accomplished upon a double track railroad, when the speed is moderate and uniform, and there is full business for the road. All local business should be received and discharged on side tracks, so that the moving trains would be least interfered with. Trains coming upon the tracks should be required to enter the tracks only when they will not interfere with moving trains.

While simplicity in management of the road dictates that all local business should be done through warehousemen, and the company relieved from the ownership and management of station depots and side tracks, (the company owning the switches,) it will still be requisite that the company shall furnish ample terminal facilities at the seaboard, so that trains may be expeditiously unloaded, and the common carrier shall incur the smallest waste of time in making his trip. The most ample seaboard terminal facilities may be provided by the railway company, and not thereby cause the cost of the railway and seaboard terminus to exceed the estimate hereinbefore given of \$40,000,000.

The first allotment of \$15,000,000 will be sufficient to construct a railway from New York to Pittsburg, with double track, of the three feet gauge, with steel rails weighing forty lbs. to the lineal yard. At Pittsburg the navigation of the Ohio, Mississippi and Missouri Rivers are reached, thus opening, before the construction of the other section of the road, cheap transit, to a certain degree to a large part of the great West. The business which the road would secure at Pittsburg and in the anthracite, the broad top or semi-anthracite, and the Somerset

bituminous coal fields, on the completion of the first section, would enable the company to pay legal interest upon the cost of the section the first year. 800,000 tons of the three kinds of coal, moved over the whole line or its equivalent, is not an extravagant calculation for business on the first section, within the first year after its completion. To this may be added large freight in carrying grain, meat, cotton, tobacco and other Western and Southern products to the Atlantic seaboard, and in carrying merchandise to the West, while the local freights, in iron ore, pig metal, lumber, tan bark and local merchandise would be immense.

The BROAD TOP COAL FIELD covers an area of eighty square miles in the Counties of Bedford, Huntington and Fulton, Pa., lying immediately in the track of The People's Freight Railway. The coal is found in great abundance above the water line, in veins varying from five to twelve feet in thickness. Its purity and freedom from sulphur and other deleterious substances renders it especially valuable for the manufacture and working of iron. It is also an excellent coal for generating steam and for domestic uses. The demand for it in the Eastern cities has never been fully supplied, owing to insufficient transportation facilities. The People's Freight Railway will bring it sixty miles nearer New York than by any existing route, and practically as near as the anthracite coal fields now are. Various analyses of this coal, by Prof. W. R. Johnson and others, in State reports and elsewhere give sixteen per cent. of volatile matter and 77 1-2 per cent. of carbon. The report of the President of the Huntington and Broad Top Railroad Company to the Stockholders, on February 6th, 1872, states that "the most serious impediment to an increase in coal tonnage is the want of anything like an adequate supply of cars; and until the Pennsylvania Railroad Company furnish these more abundantly the business of all its coal tributaries will be limited to a small annual increase." The number of tons of coal sent to tide water from Pennsylvania may be indefinitely increased.

The inspector of coal mines in Pennsylvania, in his report for 1870, estimates that 25,000,000 tons annually will be required for home use. To this may be added the immense demand in the cities of the West, the de-

mand all along the Ohio River and on the great plateau between the lakes and the Ohio River where coal does not exist and timber is becoming scarce. The supplying of all these regions will furnish freight to the first section of The People's Freight Railway, before the others are completed. The Somerset Coal Field extends over the whole of Somerset and Westmoreland counties, in Pa., which The People's Freight Railway will bisect centrally. The best gas coal in the United States is found in these two counties, in veins varying from four to twenty-two feet in thickness and easily accessible.

While the raising of the first allotment of the capital stock of The People's Freight Railway Co., amounting to \$15,000,000 will be the nucleus which will make sure the completion of the whole line; the building of the first section will be a success in itself, owing to the economy with which it may be built, by building for the ready cash, and by the use of the three feet gauge, which can be built and operated at a greater profit than a road of the standard gauge can. The widely known Festiniog railroad, in Wales, whose gauge is one-half inch less than two feet, is operated with locomotives which safely attain a speed of twenty-five miles per hour. It earns for its owners, annually, thirty per cent. net upon its cost. The Denver and Rio-Grande railroad, in Colorado, which has a gauge of three feet, is the great railroad success of America. Its cost for construction was \$13,500 per mile, and it is regularly earning, above all expense for operating, fourteen per cent. per annum upon its cost.

Whoever has gone through the foregoing statement carefully, will have seen,

1st. That this project is based upon the want of cheap transportation—the prime necessity of the business of the country and the immediate interest of the great masses of the people.

2d. He will have seen that no other measure but the building of such a railroad as this People's Freight Railway, can ever bring the desired relief; because, so long as the present system of railroads must be depended upon to do the carrying of the country, with their enor-

mous cost of construction and maintenance, not to speak of their exaggerated stock, or their antagonistic corporate interests, they must necessarily exact high rates in mere self defense, and no amount of legislation, however honest or wise, unless it be absolutely oppressive and ruinous to that class of interests, can ever secure the desired end. They *must* earn their dividends.

The only way to cure the evil is, to throw the whole matter right into the hands of the people, and put it on such a basis that every man who chooses, can carry for himself, and that he who cannot do so, may choose his own carrier over the common public thoroughfare. This will effectually accomplish the end in view, by means entirely just and justifiable, without years of exciting conflicts and wearisome delays. Its success will make a new era in railroad enterprises, and in agricultural prosperity and general advantage to all classes.

3d. He will have seen that by this plan of a common roadway, open to all, inviting free competition, giving to those who are dissatisfied with the charges of others, the privilege of carrying for themselves, rates of transportation cannot fail to be brought down to the closest approach to the actual cost that is possible. A purely co-operative system could not more surely secure the desired end.

4th. He will have seen that by the gauge adopted, and the cash system adhered to, the expense of rolling stock and passenger depots avoided, etc., the roadway can be constructed for the lowest possible cost, and will therefore be able to reduce its tolls to the lowest possible rate.

5th. He will have seen that the route chosen, opening up access to all prominent points, in both the West and the East, and traversing a region overflowing with materials to furnish business for the road, tapping all the greatest business centers of the country and opening up a channel to create business with the old world, cannot fail to be crowded with freight to its full capacity, from the first moment of its completion, and therefore able to put its rates down to a mere nominal figure and yet make its stock a good and paying investment.

6th. He will have seen that the difficulty attending such an enterprise, namely, that of protecting itself against the control of the opposing interests, with their formidable array of capital and power, has been at last completely overcome. That the conveyance, to a trustee, of the power to vote one-half of the capital stock, on the conditions and with the limitations and through the channels, in which it has to be done, makes it forever utterly impossible for any opposing interest to control, or interfere with, or in any way embarrass its action. This will be seen to be a most essential and all-important advantage, when it is recollected that such an enterprise could not possibly be launched in any other way, without soon finding itself swallowed up by its enemies, who would swarm around it in countless numbers and either secretly purchase enough of its stock, or else sap away its supports by corrupting its guardians, and buying up its franchises or in some way or other secure its direct control and thus defeat its object, disappoint its friends, derange its finances and dishearten its advocates for all future endeavor. No other protection is practicable, which would not soon leave the enterprise at the mercy of its foes.

7th. He will have seen that the fact of this enterprise being already in complete organization, armed with all needful legislation, fully ripe for immediate action, is another most important advantage. For, let suitable legislation be applied for now for this purpose, and just as surely will its enemies scent it from afar and strangle it in its birth as the blood-hound scents his game, or the anaconda crushes his prey. Like reinforcements appearing on the field at the decisive moment to carry the day, this legal authority presents itself full-armed, at this seasonable juncture to meet the grand uprising of a great people and give them the means of undoubted success and deliverance.

8th. He will have come to the inevitable conviction that the immediate adoption of this measure by all the friends of cheap transportation and of those seeking the true interests of agriculture, commerce and manufactures, in the country, is of the utmost importance. What is now

needed in order to the efficiency and success of the friends of cheap transportation is, something that will center their energies and combine their power. Let their vast numbers and united strength be concentrated on one well-devised project, properly secured, fully commanding their confidence and enlisting their enthusiasm, and, like a well-disciplined army they are irresistible, while without such concentration, their power is like that of a mob, aimless, ill-directed, scattering and fruitless. This enterprise is therefore commended to their consideration, to be taken up as their own enterprise, carried through and managed by themselves, for their own advantage and with no other limitations but such as have been herein-before set forth as essential to its safety and success.

If each member of the order of Patrons of Husbandry will make this project his own, and take but one share of the stock, fifty dollars, the whole capital needed to build the road from New York Harbor to the Mississippi River will be at once secured, and the work may be carried on simultaneously throughout its whole length, and in less than two years completed and put into active operation. It is in "the power of the littles" to accomplish the grandest results, as was shown by the raising of the first war loan of the United States Government, which was instantly taken in fifty dollars bonds, by the people, and as has been seen repeatedly in France, by the raising in small sums, of Government loans, even to the extend of \$2,000,000,000. One share of stock for every two-and-a-half members of the Order of Patrons of Husbandry, would raise the first \$15,000,000 to build the road to Pittsburg, *i. e.* two-fifths of a share (\$20) to each member. Seven cents a bushel, on the surplus grain raised in the Northwest in one year, amounting to 600,000,000 bushels, will build the whole road, and this amount would be saved by the grain-growers many times over in one year by the reduction in freight and the advance in price realized by the existence of the road.

9th. The attentive student of these facts will also have seen that in a road, built for the ready cash, and to meet a universal demand, such as there is for this, there cannot occur a condition of things seriously detrimental to its prosperity and progress, especially if this unanim-

ity of effort and combination of means can be effected. In the case of any ordinary road built in the usual costly manner, with its bonds flooding the market, any financial fluctuation or sudden revulsion in the commercial world, prostrates its credit and wrecks its interests. But in such a method as is here contemplated, no panic can effect it, because where the cash is in hand, what fear is to arise from tightness in the money market? Indeed, the only difference it could make, is to reduce the prices of labor and materials, which would be a positive advantage. Let this measure be taken up by the friends of cheap transportation, and united purpose will take the place of their longing and waiting. Earnest enthusiasm will fire all hearts and the universal demand will be supplied. Let every man, therefore, resolve to do his part and give the enterprise his hearty support, and its success is assured. Let resolution, then, be the watchword. The hour for action has come. The demand of the moment is immediate combination and vigorous work.

APPENDIX

CONTAINING THE ORGANIZATION OF "THE PEOPLE'S FREIGHT RAILWAY COMPANY," AND THE LAWS AUTHORIZING THE SAME.

AN ACT

TO INCORPORATE THE BENDERSVILLE RAILROAD COMPANY.

Sec. 1. *Be it enacted*, By the Senate and House of Representatives of the Commonwealth of Pennsylvania in General Assembly met, and it is hereby enacted by the authority of the same, That Algernon S. Cadwallader, Joseph A. Van Horn, John F. Brown, George Justice, Thomas S. Cadwallader, James Anderson, and Charles Sopris, or a majority of them, be, and they are hereby appointed commissioners to open books, receive subscriptions, and organize a company by the name, style and title of the Bendersville Railroad Company, with all the powers and restrictions prescribed by the act entitled "An act regulating Railroad Companies," approved February 19, A. D., 1849, and the several acts supplementary thereto.

Sec. 2. That the capital stock of said Company shall consist of two thousand shares of fifty dollars each; and the Stockholders of said Company, at a meeting thereof, called especially for that purpose, may increase said capital stock to such amount as they may deem expedient, and issue the same in one or more classes, as to preference, if deemed for the best interest of said Company.

Sec. 3. That said Company shall have power to lay out, construct and operate a railroad from some point near Gettysburg, through the Valleys of Conewago and Opossum Creeks, to the village of Bendersville, Menallen Township, Adams County, and to the iron mines in the vicinity thereof; and if said railroad shall not have been completed within three years from the passage of this act, the right to construct the same under this act shall be void, except as to the parts thereof which may then have been constructed.

Approved March 11, A. D., 1871.

A FURTHER SUPPLEMENT.

TO THE ACT INCORPORATING THE BENDERSVILLE RAILROAD COMPANY, APPROVED

A. D., 1871.

Sec. 1. *Be it enacted*, By the Senate and House of Representatives of the Commonwealth of Pennsylvania in General Assembly met, and it is hereby enacted by the authority of the same, That it shall and may be lawful for the Bendersville Railroad Company to issue any of the shares of the increased capital stock authorized by its charter, and guarantee interest thereon, during the construction of its railroad, or otherwise, not exceeding seven per centum per annum upon the par value of said shares, to be paid out of any funds in the treasury of said Company; and if any owner or owners of any of the shares of such increased capital stock of said Company shall, for the purpose of promoting the construction of its railroad, place the same in trust, it shall be lawful so to do, and if the equitable interest in such shares so placed in trust as aforesaid, shall ever come into possession of said Company by gift or otherwise, it shall be lawful for said Company to sell such equitable interest in such shares, and guarantee interest thereon, not exceeding seven per centum per annum upon the par value of such shares, to be paid out of any funds in the treasury of said company.

Approved March 20, A. D., 1872.

A FURTHER SUPPLEMENT.

TO THE ACT APPROVED MARCH 11, A. D., 1871, entitled "An act to incorporate the Bendersville Railroad Company," authorizing said Company to merge its stock, franchises, property and railroad, with and into other companies, and to lease its stock, franchises, property and road, or to become the lessees thereof from other companies.

Sec. 1. *Be it enacted*, By the Senate and House of Representatives of the Commonwealth of Pennsylvania, in General Assembly met, and it is hereby enacted by the authority of the same, That it shall be lawful for said Bendersville Railroad Company to unite, consolidate and merge its stock, franchises, property and road with or into other companies, and to lease such franchises, property and road to, or to become the lessees thereof, from any other company, which by special or general law of Pennsylvania, or otherwise, may be authorized to construct a railroad or railroads which, directly or by intervening railroads, may connect with its railroad, although such railroads may be unconstructed. Such merger shall be effected in accordance with, and in conformity to the provisions of the act approved March 24th, A. D., 1865, entitled "An Act supplementary to an act regulating railroad companies," approved the 19th day of February, A. D. 1849, and the time for the completion of the railroads so merged shall be that of the Company, party thereto, having the longest time for the completion of its railroad.

Approved April 3, A. D., 1873.

PATENT OF THE BENDERSVILLE R. R. COMPANY.

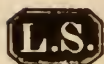
Pennsylvania, ss.

In the name and by the authority of the

J. F. HARTRANFT.

(Virtue, Liberty and Independence.)

COMMONWEALTH OF PENNSYLVANIA,



JOHN F. HARTRANFT,

Governor of said Commonwealth.

TO ALL TO WHOM THESE PRESENTS SHALL COME, SENDS GREETING.

WHEREAS, An act of the General Assembly of this Commonwealth, entitled "An act to Incorporate the Bendersville Railroad Company," approved the eleventh day of March, A. D., 1871, provides for the organization of a company by the name, style and title of the "Bendersville Railroad Company," subject to the provisions and restrictions of an act entitled "An Act regulating Railroad Companies," and approved the nineteenth day of February, A. D., 1849, and the several supplements thereto, by which Act the Governor of this Commonwealth is authorized and required to issue his Letters Patent, in the manner and at the time therein specified.

AND WHEREAS, The stipulations, conditions and things in the said Act directed to be performed, have in all respects been fully complied with.

Now, KNOW YE, That in pursuance of the power and authority to me given by law, I, JOHN F. HARTRANFT, Governor of the said Commonwealth, do by these presents, which I have caused to be made patent, and sealed with the great seal of the State, create and erect the subscribers to the stock of the said Company, for the number of shares by them subscribed, viz :

Joseph A. Van Horn,...	Three Shares.
Thos. S. Cadwallader.....	Ten Shares.
Robert R. Corson.....	Five Shares.
John F. Brown.....	Three Shares.
George Justice.....	Ten Shares.

John Jamison.....Three Shares.
 Charles Follen Corson..... Three Shares.
 D. W. Cadwallader.....Three Shares.
 Lewis B. Clark.....Three Shares.
 H. M. Hamilton.....Three Shares.
 Charles SoprisThree Shares.
 A. B. Gillette.....Three Shares.
 Wm. Cadwallader, Jr.....Three Shares.
 Thos. George Morton.....Three Shares.
 James Stuart, Jr.....Three Shares.
 A. S. Cadwallader. . One thousand nine hundred and thirty-nine Shares.

Amounting in the whole to two thousand shares.

And also those who shall afterwards subscribe, into one body politic and corporate, in deed and in law, by the name, style and title of "Bendersville Railroad Company," and by the said name the subscribers shall have perpetual succession, and all the privileges and franchises incident to a corporation.

And the said subscribers and those who shall afterwards subscribe, their successors and assigns, are generally to be invested with all the rights, powers and privileges, with full force and effect, and subject to all the duties, requisites and restrictions specified and enjoined in and by the said acts of the General Assembly, and all other laws of this Commonwealth.

Given under my hand and the Great Seal of the State
 at Harrisburg, this 18th day of August, in the
 year of our Lord one thousand eight hundred
 and seventy-three, and of the Commonwealth
 the ninety-eighth.

By the Governor,

M. S. QUAY,
Secretary of the Commonwealth.

AN ACT

TO INCORPORATE THE SHERMAN'S VALLEY RAILROAD COMPANY.

Sec. 1. *Be it enacted*, By the Senate and House of Representatives of the Commonwealth of Pennsylvania in General Assembly met, and it is hereby enacted by the authority of the same, that Henry Foulk, Henry Brown, B. F. Hall, Abram Bower, James Galbraith, John Stambaugh, D. B. Milliken, W. W. McClure, A. M. Egolph, Samuel Spotts, Samuel Shoemaker, A. Farnham, George Hench, Jacob Bixler, John Martin, George M. Loy, George Johnson, E. A. McLaughlin, Josiah Espy, of Perry County, or any five of them are appointed commissioners to open books, receive subscriptions and organize a company, with power to construct a railroad from or near the borough of Marysville, in the County of Perry, by way of Shermansdale and Landisburg, to or near Loysville, in Tyrone Township, in the County of Perry.

Sec. 2. The capital stock of said Company shall consist of two thousand shares, of fifty dollars each; *Provided*, That the said Company may from time to time, by a vote of the Stockholders, at a meeting called for that purpose, increase the capital stock if it shall be deemed necessary, to an amount sufficient to carry out the true intent and meaning of this Act.

Sec. 3. That when any section of three miles of said road shall be completed, the said Company may use, employ and enjoy the same in the same manner as when the entire road shall be constructed.

Sec. 4. Said Company shall have all the powers and be subject to all the restrictions of the act, entitled "An Act regulating railroad companies," approved the 19th day of February, A. D., 1849, and the several supplements thereto, except so far as the provisions of this act may provide.

Approved March 7, A. D., 1872.

PATENT OF THE SHERMAN'S VALLEY R. R. COMPANY.

PENNSYLVANIA, 33.

In the name and by the authority of the

J. F. HARTRANFT.

(Virtue, Liberty and Independence.)

COMMONWEALTH OF PENNSYLVANIA,

JOHN F. HARTRANFT,

Governor of said Commonwealth.

TO ALL TO WHOM THESE PRESENTS SHALL COME, SENDS GREETING.

WHEREAS, An act of the General Assembly of this Commonwealth, entitled "An Act to incorporate the Sherman's Valley Railroad Company," approved the seventh day of March, A. D., 1872, provides for the organization of a company by the name, style and title of "Sherman's Valley Railroad Company," subject to the provisions and restrictions of an act, entitled "An act regulating Railroad Companies," and approved the nineteenth day of February, A. D., 1849, and the several supplements thereto, by which acts the Governor of this Commonwealth is authorized and required to issue his Letters Patent in the manner and at the time therein specified.

AND WHEREAS, The stipulations, conditions and things in the said act directed to be performed, have in all respects been fully complied with.

Now, KNOW YE, That in pursuance of the power and authority to me given by law, I, JOHN F. HARTRANFT, Governor of the said Commonwealth, do by these presents, which I have caused to be made patent, and sealed with the Great Seal of the State, create and erect the subscribers to the stock of the said Company, for the number of shares by them subscribed, viz:

W. W. Snyder.....	Twenty Shares.
Anthony Furlman ...	Twenty Shares.
John A. Bower.....	Twenty Shares.
Aaron Egolf.....	Twenty Shares.
F. W. Gibson.....	Twenty Shares.
D. B. Milliken.....	Twenty Shares.
Abraham Bower.....	Twenty Shares.
W. W. McClure.....	Twenty Shares.
Jacob Sheibly.....	Ten Shares.
Adam Wentzel.....	Ten Shares.
George A. Shuman.....	Ten Shares.
B. F. Hall.....	Ten Shares.
Samuel Murray.....	One Share.

Amounting in the whole to two hundred and one shares.

And also those who shall afterwards subscribe, into one body politic and corporate, in deed and in law, by the name, style and title of "Sherman's Valley Railroad Company," and by the said name the subscribers shall have perpetual succession, and all the privileges and franchises incident to a corporation. And the said subscribers and those who shall afterwards subscribe, their successors and assigns, are generally to be invested with all the rights, powers and privileges, with full force and effect, and subject to all the duties, requisites and restrictions specified and enjoined in and by the said acts of the General Assembly, and all other laws of this Commonwealth.

Given under my hand and the Great Seal of the State,
at Harrisburg, this twenty-ninth day of May,
in the year of our Lord, one thousand eight
hundred and seventy-three, and of the Common-
wealth the ninety-seventh.

By the Governor,

M. S. QUAY,

Secretary of the Commonwealth.

ARTICLES OF ASSOCIATION

TO INCORPORATE "THE BENDERSVILLE EXTENSION RAILROAD COMPANY."

Made and signed this ninth day of October, in the year of our Lord, one thousand eight hundred and seventy-three, under and in pursuance of an act of the Legislature of the Commonwealth of Pennsylvania, approved the fourth day of April, A. D., one thousand eight hundred and sixty-eight, entitled "An act to authorize the formation and regulation of railroad corporations.

Be it remembered, that we, Harrison C. Wright, William B. Burr, D. W. Cadwallader, Robert R. Corson, William Cadwallader, Joseph S. Burr, Cyrus S. Detre, Thoms S. Cadwallader, A. S. Cadwallader, the subscribers hereto, citizens of Pennsylvania, being desirous of forming a company for the purpose of constructing, maintaining and operating a railroad for public use in the conveyance of persons and property, have made and signed, and do hereby make and sign these Articles of Association, in pursuance of, and in compliance with the aforesaid act, to form a company for the purpose of constructing, maintaining and operating a railroad for public use in the conveyance of persons and property, and do declare as follows, to wit:

1. The name of said Company shall be "THE BENDERSVILLE EXTENSION RAILROAD COMPANY."

2. The said Company shall continue for the period of nine hundred and ninety-nine years.

3. The said Road is to be constructed, maintained and operated from a point on the Bendersville Railroad, near Bendersville, Adams County, to a point on the Sherman's Valley Railroad, near Landisburg, in the County of Perry.

4. The length of such road, as near as may be, is intended to be sixty miles, to be made through or within the Counties of Adams, Cumberland, Franklin and Perry.

5. The amount of capital stock of said company shall be six hundred thousand dollars, the same being at the rate of ten thousand dollars for every mile of road proposed to be constructed, and the capital stock shall consist of twelve thousand shares, of fifty dollars each.

6. The name of the President is William B. Burr, who resides in Philadelphia, Pennsylvania, aforesaid. The name and residences of nine Directors of said company are as follows:

Harrison C. Wright,	Philadelphia, Pa.
William B. Burr,	do do
D. W. Cadwallader,	do do
Robert R. Corson,	do do
William Cadwallader,	Yardleyville, Pa.
Joseph S. Burr,	Philadelphia, do
Cyrus S. Detre,	do do
Thomas S. Cadwallader,	Yardleyville, Pa.
A. S. Cadwallader,	do do

Who shall manage its affairs for the first year, and until others are chosen in their places.

In witness whereof we have hereunto set our respective hands with the places of residence of each of us, at the City of Philadelphia, Pennsylvania, this ninth day of October, A. D., 1873.

Harrison C. Wright,	Philadelphia, Pa.
William B. Burr,	do do
D. W. Cadwallader,	do do
Robert R. Corson,	do do
William Cadwallader, Jr.,	Yardleyville, do
Joseph S. Burr,	Philadelphia, do
Cyrus S. Detre,	do do
Thomas S. Cadwallader,	Yardleyville do
A. S. Cadwallader,	do do

We, the undersigned, do hereby subscribe for, and agree to take the number of shares of the capital stock of The Bendersville Extension Railroad Company, set opposite our respective names, and pay for the same into the treasury of said Company, as required by law and the Directors of said Company.

NAMES.	SHARES.
William B. Burr.. .. .	Five Shares
Harrison C. Wright.....	Five Shares
D. W. Cadwallader.....	Five Shares
Robert R. Corson.....	Five Shares
William Cadwallader, Jr.....	Five Shares
Joseph S. Burr.. .. .	Five Shares
Cyrus S. Detre.....	Five Shares
Thomas S. Cadwallader.....	Five Shares
A. S. Cadwallader.....	Eleven thousand nine hundred and sixty Shares

State of Pennsylvania,)
County and City of Philadelphia. } ss.

D. W. CADWALLADER,
HARRISON C. WRIGHT,
A. S. CADWALLADER.

Three of the Directors named in the foregoing Articles of Association, being duly affirmed according to law, depose and say that ten thousand dollars of stock for every mile of Railroad proposed to be made has been in good faith subscribed to said Company, and that ten per centum of said subscribed stock has been paid in cash thereon to the Directors named in said Articles of Association, and that it is intended in good faith to construct, maintain and operate the road mentioned in said Articles of Association.

D. W. CADWALLADER,
HARRISON C. WRIGHT,
A. S. CADWALLADER.

Affixed and subscribed before me this thirty-first day of October, A. D., 1873.

{SEAL}

WM. P. HIBBERD,
Alderman.

Before me, the subscriber, an Alderman of the State of Pennsylvania, residing at Philadelphia, personally came, D. W. Cadwallader, Harrison C. Wright, A. S. Cadwallader, three of the within named Directors, who, for themselves and their associates, in due form of law, acknowledged the within articles of association to be their own act and deed, and that they desire the same to be recorded as such for the purpose therein named.

In testimony whereof, I have hereunto set my hand and seal, this thirty-first day of October, A. D., 1873.

{SEAL}

WM. P. HIBBERD,
Alderman.

Filed and recorded in the office of the Secretary of the Commonwealth, at Harrisburg, on Tuesday, the fourth day of November, A. D., 1873.

M. S. QUAY,
Secretary of the Commonwealth.

{OFFICE OF THE SECRETARY OF THE COMMONWEALTH,
Harrisburg, November 4th, A. D., 1873.

Pennsylvania, s.s.

I do hereby certify that the foregoing and annexed is a full, true and correct copy of the original articles of association of the "Bendersville Extension Railroad Company," and of the affidavit thereto annexed, as the same remains on file and of record in this office.



IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the seal of the Secretary's office to be affixed the day and year above written.

M. S. QUAY,
Secretary of the Commonwealth.

CONSOLIDATION AGREEMENT.

Joint Agreement made the seventeenth day of November, A. D., 1873, between the Directors of "The Bendersville Railroad Company," and the Directors of "The Bendersville Extension Railroad Company," and the Directors of "The Sherman's Valley Railroad Company."

WHEREAS, By an act of the General Assembly of the Commonwealth of Philadelphia, entitled "An Act to incorporate The Bendersville Railroad Company," approved March 11, 1872, and the due performance of all things thereby required, there was created a corporation by the name of The Bendersville Railroad Company, with authority to lay out, construct, and operate a Railroad from some point near Gettysburg, through the Valley of Conewago and Opossum Creeks, to the Village of Bendersville, Menallen Township, Adams County, and to the iron mines in the vicinity thereof.

AND WHEREAS, By an act of the General Assembly of the Commonwealth of Pennsylvania, entitled "An act to incorporate The Sherman's Valley Railroad Company, approved March 7th, 1872, and the due performance of all things thereby required, there was created a corporation by the name of "The Sherman's Valley Railroad Company," with authority to construct a Railroad from or near the Borough of Marysville, in the County of Perry, by way of Shermansdale and Landisburg, to or near Loysville, in Tyrone Township, in the County of Perry.

AND WHEREAS, In and by certain articles of association made and signed by Harrison C. Wright, William B. Burr, D. W. Cadwallader, Robert R. Corson, William Cadwallader, Jr., Joseph S. Burr, Cyrus S. Detre, Thomas S. Cadwallader and A. S. Cadwallader.

On the Ninth day of October, 1873, and duly acknowledged and filed and recorded in the office of the Secretary of the Commonwealth, on the Fourth day of November, 1873, under and by virtue of a certain act of the General Assembly of Pennsylvania, entitled "An act to authorize the formation and regulation of Railroad Corporations," approved the 4th of April, 1868, and the due performance of all things by the said act required, there was created and now exists a Corporation by the name or title of the "Bendersville Extension Railroad Company," with authority to construct, equip, operate and maintain a railroad from a point on the Bendersville Railroad, near Bendersville, Adam County, to a point on the Sherman's Valley Railroad near Landisburg, in the County of Perry, a distance of about sixty miles.

AND WHEREAS, The railroads of the three Companies may and will form, when constructed, a continuous line of railroad with each other.

AND WHEREAS, It is believed that the public objects for which the said Railroads of the three Corporations, parties hereto, have been authorized can be best promoted by a consolidation and merger of the said companies so that all the property, rights, franchises and privileges, now by law vested in the "Bendersville Railroad Company," and the "Sherman's Valley Railroad company" and the Bendersville Extension Railroad Company may be united, merged, and consolidated together so as to form one company.

NOW THEREFORE, In pursuance and by authority of the act of the General Assembly of this Commonwealth, approved the 26th of April, 1870, entitled "An act further supplementary to an act regulating Railroad Companies," approved the 19th day of February, Anno Domini one thousand eight hundred

and forty-nine, and of every other lawful power and authority, the parties hereto enabling the Directors of the said companies, parties hereto, have jointly agreed, and by these presents do make and enter into this joint agreement to unite, merge, and consolidate together all the corporate rights, powers, privileges, franchises, corporate stock and property of the "Bendersville Railroad Company," and the "Sherman's Valley Railroad Company," and the "Bendersville Extension Railroad Company" so that the said companies may be consolidated, and all the said corporate rights, powers, franchises, stock and property now vested by law in the said "Bendersville Railroad Company" and said "Sherman's Valley Railroad Company" and said "Bendersville Extension Railroad Company" may be united, merged, and consolidated together so as to form and be one company, to be called "THE PEOPLE'S FREIGHT RAILWAY COMPANY" as by the laws of this Commonwealth is provided, on the terms and conditions following, to wit:

1st. That said "Bendersville Railroad Company" and said "Sherman's Valley Railroad Company" and said "Bendersville Extension Railroad Company," shall deliver up and surrender all their books, accounts, stock, certificates, stocks and property of every description to the said, "The People's Freight Railway Company," and that all the stock of the said three first mentioned companies actually subscribed shall be cancelled.

2nd. That "The People's Freight Railway Company" shall and will issue to the several owners and holders of, or subscribers to the stock of the "Bendersville Railroad Company," and the stock of the "Bendersville Extension Railroad Company," and the said several owners and holders of, or subscribers to the stock of the two last named companies, shall be entitled to receive for every share thereof and in full payment for the same, a certificate for one full paid share of the common stock of "The People's Freight Railway Company," the said owners or holders of, or subscribers to the stock of the said "Bendersville Railroad Company," and said "Bendersville Extension Railroad Company" shall thereafter and in consideration therefor, be released absolutely from all further liability to pay any assessments or dues to any of the companies named in this agreement, or to any other party or parties whatsoever.

3d. That "The People's Freight Railway Company" shall and will issue to the several owners and holders of, or subscribers to the stock of the "Sherman's Valley Railroad Company," and the said several owners and holders of or subscribers to the stock of the "Sherman's Valley Railroad Company," shall be entitled to receive for every share thereof, and in full payment for the same, a certificate for one-tenth of a share of the preferred stock of "The People's Freight Railway Company," such tenth of a share of said preferred stock to be free from all liability for unpaid or uncalled installments or assessments which the stock of the "Sherman's Valley Railroad Company," so exchanged therefor was liable for.

The corporate rights, powers, obligations, duties, and franchises existing under the several acts of the general Assembly of this Commonwealth, relating to the said corporations, parties hereto, respectively which shall continue in, be transferred to and be vested in "The People's Freight Railway Company," are specified as follows, to wit:

1. All the rights, powers and franchises secured to the said Bendersville Railroad Company by letters patent, issued to the said company under the hand of the Governor, and seal of the Commonwealth, under an act of this Commonwealth entitled "An act regulating Railroad Companies," approved the 19th of February, 1849, continuing from the date of the said letters patent.

2. All the rights, powers and franchises secured to the said "Sherman's Valley Railroad Company" by letters patent issued to the said company, under the hand of the Governor and seal of the Commonwealth, under the act of the General Assembly of this Commonwealth entitled "An act Regulating Railroad Companies," approved the 19th of February, 1849, continuing from the date of the said letters patent.

3. The right, power and obligation to build, construct, equip, operate and maintain the railroad authorized by the said act incorporating the "Bendersville Railroad Company" and also the Railroad authorized by the said act incorporating, and the said supplement to the said act incorporating the "Sherman's Valley Railroad Company," and also the Railroad mentioned and described in the said articles of association, to incorporate the "Bendersville Extension Railroad Company" and to construct, own and operate the said Railroads as one

continuous and consolidated line of railroad, to be completed within the farthest limit of time for the completion of the railroads of the "Sherman's Valley Railroad Company" prescribed by the several acts of Assembly having reference thereto.

4. The right and power to construct, operate and maintain such branches from its main line of railroad as it may deem necessary to increase its business and accommodate the trade and travel of the public, being a right vested in the said "Bendersville Extension Railroad Company" and which, under and by virtue of this agreement and the laws of this Commonwealth is hereby transferred to and vested in the said "The People's Freight Railway Company."

5. The right to connect its road with roads of a similar character within this Commonwealth, or on the line thereof, upon such terms as may be agreed upon by those who have the management of said roads; being a right vested in the "Bendersville Extension Railroad Company," and which under and by virtue of this agreement and the laws of this Commonwealth, is hereby transferred to and vested in the said "The People's Freight Railway Company."

6. All the rights, powers and privileges granted and conferred by an act of the General Assembly, approved March 20th, 1872, entitled "A further supplement to the act to incorporate the "Bendersville Railroad Company," approved 1871, and an act of the General Assembly, approved the 3rd day of April, 1873, entitled "A further supplement to the act approved March 11th, 1871, entitled "An act to incorporate the Bendersville Railroad Company," "Authorizing said company to merge its stock, franchises, property, and railroad with and into other companies, and to lease its stock, franchises, property and road, or to become the lessees thereof from other companies, so far as the said acts are consistent with the exercise of all the rights and power herein before specified."

7. The affairs of "The People's Freight Railway Company," shall be managed by a board of management, to be composed of twelve Directors and a President, who shall be elected by the Stockholders of the company. The officers of the company shall be a President, a Vice-President, a Treasurer, a Secretary, and such other officers and agents as the board of management may from time to time prescribe.

The names of the first Directors of "The People's Freight Railway Company" are, A. S. Cadwallader, who resides in Yardleyville, Pa.

Harrison C. Wright,	"	"	"	Philadelphia, Pa.
Edwin A. Ford,	"	"	"	Bordentown, N. J.
John Jameson,	"	"	"	Beverly, N. J.
Robert R. Corson,	"	"	"	Philadelphia, Pa.
W. W. Corbett,	"	"	"	Chicago, Ill.
W. C. Flagg,	"	"	"	Moro, Madison Co., Ill.
Joseph S. Burr,	"	"	"	Philadelphia, Pa.
Joseph Bailey,	"	"	"	Baileysburg, Perry Co., Pa.
Samuel R. Toy,	"	"	"	Camden, N. J.
George C. Caughlin,	"	"	"	Philadelphia, Pa.
George Justice,	"	"	"	Yardleyville, Pa.

The name of the President is William B. Burr, who resides in Phila., Pa.

The name of the Vice-President is

The name of the Treasurer is Edwin A. Ford, who resides in Bordentown, N. J.

The name of the Secretary is Robert R. Corson, who resides in Phila., Pa.

The capital stock of "The People's Freight Railway Company" shall consist of 2,000,000 shares of the par value of fifty dollars each, of which one-half, to wit, 1,000,000 shares thereof shall be classed as preferred stock, and one-half, to wit, 1,000,000 shares thereof shall be classed as common stock. Both classes of stock shall have equal privileges at all meetings and all elections by the Stockholders, but the preferred stock actually issued shall be entitled to receive dividends out of the net earnings of the Company, if any in any year, at the rate of seven per cent. per annum, before the common stock shall be entitled to receive any dividends out of the net earnings for such year, and when the preferred stock actually issued shall have received seven per cent. out of the net earnings in any year, and the common stock shall have received seven per cent. for such year out of the net earnings in such year, or otherwise, each share of each class of the stock actually issued shall be entitled to an equal amount of any net earnings for such year which may remain.

There shall be an annual meeting of the Stockholders of the Company on the first Monday in January in each year, at the office of the Company, in the City of Philadelphia, at which the Board of Management, consisting of twelve Directors and a President shall be chosen by the Stockholders, to hold their positions or offices for one year, and until others are elected in their places, each share of each class of stock actually issued entitling the holder thereof to one vote in person or by proxy, at all Stockholders' meetings, and at all times and places where the sense of the Stockholders is to be taken. All other officers and agents of the Company shall be elected by the Board of Management at the annual meeting or as soon thereafter as convenient.

The Board of Management shall have power to make such By-Laws and regulations for the government of the Company as they shall deem expedient, not inconsistent with the laws of this Commonwealth or those of the United States.

8. To have, hold, possess, exercise and enjoy all the rights, powers, privileges and property which either party hereto might or could do under any other law of this Commonwealth if this agreement did not exist.

IN TESTIMONY WHEREOF, the Directors of the "Bendersville Railroad Company," and the Directors of the "Sherman's Valley Railroad Company," and the Directors of the "Bendersville Extension Railroad Company," have caused the respective corporate seals of the said Companies to be hereunto affixed, attested by the President and Secretary of each Company, this 17th day of November, A. D., 1873.

[L. S.]

ABRAHAM BOWER,

President of the Sherman's Valley Railroad Company.

ATTEST: BENJAMIN F. HALL,

Secretary of the Sherman's Valley Railroad Company.

I, BENJAMIN F. HALL, Secretary of the Sherman's Valley Railroad Company do hereby certify, that a meeting of the Stockholders of the said company was held at Shuman's Hotel, in the Village of Landisburg, Perry County, Pennsylvania, on Monday the 17th day of November, 1873, for the purpose of considering and voting for the adoption or rejection of an agreement made between the Directors of the Bendersville Railroad Company, and the Directors of the Bendersville Extension Railroad Company, and the Directors of the Sherman's Valley Railroad Company (of which the foregoing is a true copy,) in pursuance of due notice of the time, place and object of the said meeting which was given according to and as required by law, the said agreement was submitted to the Stockholders at the said meeting, duly considered by them, and a vote by ballot taken for the adoption or rejection of the same as prescribed by the laws of this Commonwealth. The number of votes cast at the said meeting was one hundred and ninety-nine, each vote representing one share of the stock of the said company, of which one hundred and nine-nine were cast in favor of adopting said agreement, and none for the rejection of the said agreement, and I certify the fact that more than two-thirds of all the stock of the company entitled to vote was cast at said election, in favor of said agreement of consolidation and merger.

In testimony thereof, I have hereunto set my hand and the corporate seal of the company, this 17th day of November, A. D., 1873.

L.S.

B. F. HALL, *Secretary.*

[L.S.]

A. S. CADWALLADER,

President of the Bendersville Railroad Company.

ATTEST:—ROBERT R. CORSON,

Secretary of the Bendersville Railroad Company.

I, ROBERT R. CORSON, Secretary of the Bendersville Railroad Company, do hereby certify that a meeting of the Stockholders of said Company was held at No. 106 North Third Street, in the City of Philadelphia, State of Pennsylvania, on Friday the 14th day of November, A. D. 1873, for the purpose of con-

sidering and voting for the adoption or rejection of an agreement made between the Directors of the Bendersville Railroad Company, and the Directors of the Bendersville Extension Railroad Company, and the Directors of the Sherman's Valley Railroad Company, of which the foregoing is a true copy. In pursuance of due notice of the time, place and object of the said meeting which was given according to and as required by law, the said agreement was submitted to the Stockholders at the said meeting, duly considered by them and a vote by ballot taken for the adoption or rejection of the same, as prescribed by the laws of this Commonwealth. The number of votes cast at the said meeting was nineteen hundred and fifty-four; each vote represented one share of the stock of the said company, of which nineteen hundred and fifty-four were cast in favor of adopting said agreement and none for the rejection of the said agreement, and I certify the fact that more than two-thirds of all the stock of the Company entitled to vote was cast at said election in favor of said agreement of consolidation and merger.

In testimony thereof, I have hereunto set my hand and the corporate seal of the company, this 17th day of November, A. D., 1873.

[L.S.]

ROBERT R. CORSON, *Secretary.*

[L.S.]

WILLIAM B. BURR,

President of the Bendersville Extension Railroad Company.

ATTEST :—ROBERT R. CORSON,

Secretary of the Bendersville Extension Railroad Company.

I, ROBERT R. CORSON, Secretary of the Bendersville Extension Railroad Company, do hereby certify that a meeting of the Stockholders of said Company was held at No. 106 North Third Street, in the City of Philadelphia, State of Pennsylvania, on Friday the 14th day of November, A. D., 1873, for the purpose of considering and voting for the adoption or rejection of an agreement made between the Directors of the Bendersville Railroad Company, and the Directors of the Bendersville Extension Railroad Company, and the Directors of the Sherman's Valley Railroad Company (of which the foregoing is a true copy,) in pursuance of due notice of the time, place and object of the said meeting which was given according to and as required by law. The said agreement was submitted to the Stockholders at the said meeting, duly considered by them, and a vote by ballot taken for the adoption or rejection of the same, as prescribed by the laws of this Commonwealth. The number of votes cast at the said meeting was eleven thousand and nine hundred and fifty-five, each vote representing one share of the stock of the said company, of which eleven thousand nine hundred and fifty-five were cast in favor of adopting said agreement, and none for the rejection of the said agreement, and I certify the fact that more than two-thirds of all the stock of the company entitled to vote was cast at said election in favor of said agreement of consolidation and merger.

In testimony thereof I have hereunto set my hand and the corporate seal of the company, this 17th day of November, A. D., 1873.

L.S.

ROBERT R. CORSON, *Secretary*

I, ROBERT R. CORSON, Secretary of the People's Freight Railway Company do hereby certify that the foregoing is a true and correct copy of the joint agreement of consolidation between the Directors of the Bendersville Railroad Company, and the Directors of the Bendersville Extension Railroad Company, and the Directors of the Sherman's Valley Railroad Company, and also true and correct copies of the certificates annexed to said joint agreement of the respective Secretaries of the companies parties to said joint agreement.

In testimony whereof I have hereunto set my hand and the corporate seal of the People's Freight Railway Company, this 12th day of December, A. D., 1873.

[L. S.]

ROBERT R. CORSON, Secretary.

Filed in the office of the Secretary of the Commonwealth at Harrisburg, on Saturday, the thirteenth day of December, A. D., 1873.

M. S. QUAY,

Secretary of the Commonwealth.

OFFICE OF THE SECRETARY OF THE COMMONWEALTH, }
HARRISBURG, December 16, A. D., 1873. }

Pennsylvania, s.s.:

[L. S.] I do hereby certify that the foregoing and annexed is a full, true and correct copy of the joint agreement of consolidation and merger by and between the Bendersville Railroad Company, the Bendersville Extension Railroad Company and the Sherman's Valley Railroad Company forming the People's Freight Railway Company, as the same remains on file in this office.

In testimony whereof I have hereunto set my hand and caused the seal of the Secretary's office to be affixed the day and year above written.

M. S. QUAY,

Secretary of Commonwealth.

The following law together with the charter and supplements thereto, of the Bendersville Railroad Company, is authority for the arrangement whereby the common stock of the People's Freight Railway Company has been made full paid.

AN ACT

To authorize the President and Directors of any Railroad Company to determine by resolution, the manner in which, and the persons to whom, the increased capital thereof may be sold, and the amounts of the installments thereon, and the times and manner of this payment.

Sec. 1. *Be it enacted* by the Senate and House of Representatives of the Commonwealth of Pennsylvania, in General Assembly met, and it is hereby enacted by the authority of the same, That in all cases where any Railroad Company is authorized to increase its capital stock, and such increase has been, or may be, authorized by the Stockholders, it shall and may be lawful for the President and Directors to determine, by resolution, in what manner, and by whom, the same shall be subscribed, or to whom the same shall be issued or sold, and the amounts the several installments to be paid thereon, and the times and manner in which the same shall be paid.

Approved April 10, A. D. 1867.

AN ACT

Supplementary to an Act, regulating Railroad Companies, approved the 19th day of February, A. D., 1849.

Sec. 1. *Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania in General Assembly met, and it is hereby enacted by the Authority of the same,* That it shall and may be lawful for any Railroad Company or Corporation, organized under the laws of this Commonwealth, and operating a railroad, either in whole within, or partly within, and partly without this State, under authority of this and any adjoining State, to merge and consolidate its capital stock, franchises and property of any other railroad company, or companies, or corporations, organized and operated under the laws of this, or any other State, whenever the two, or more railroads of the companies or corporations, so to be consolidated, shall, or may, form a continuous line of railroad, with each other, or by means of any intervening railroad: *Provided*, That railroads terminating on the bank of any river, which are, or may be, connected by ferry, or otherwise, shall be deemed continuous, under this act: *And Provided further*, That nothing, in this act contained, shall be taken to authorize the consolidation of any company, or corporation, of this Commonwealth, with that of any other State, whose laws shall not also authorized the like consolidation.

Sec. 2. Said consolidation shall be made under the conditions, provisions, restrictions, and with the powers, hereafter in this act mentioned and contained, that is to say;

First, The Directors of the several corporations, proposing to consolidate, may enter into a joint agreement, under the corporate seal of each company, for the consolidations of said companies and railroads, and prescribing the terms and conditions thereof, the mode of carrying the same into effect, the name of the new corporation, the number and names of the Directors and other officers thereof, and who shall be the first Directors and officers, and their places of residence, the number of shares of the capital stock, the amount, or par value, of each share, and the manner of converting the capital stock of each of the said companies into that of the new corporation, and how and when Directors and officers shall be chosen, with such other detail as they shall deem necessary, to perfect such new organization and the consolidation of said companies, or railroads.

Second. Said agreement shall be submitted to the Stockholders of each of the said companies, or corporations, at a meeting thereof, called separately, for the purpose of taking the same into consideration; due notice of the time and place of holding such meeting, and the object thereof, shall be given by written or printed notices, addressed to each of the persons, in whose names the capital stock of said companies stands on the books thereof, and deliver to such persons, respectively, or send to them by mail, when their post office address is known to the company, and also, by a general notice, published in some newspaper, in the city, town or county, where such company has its principal office, or place of business; and at the said meeting of Stockholders, the agreement of said Directors shall be considered, and a vote by ballot taken for the adoption or rejection of the same, each share entitling the holder thereof to one vote; and said ballot shall be cast in person or by proxy; and if two-thirds of all the votes of all the Stockholders shall be for the adoption of said agreement, then that fact shall be certified thereon, by the Secretary of the respective companies, under the seal thereof; and the agreement so adopted, or a certified copy thereof shall be filed in the office of the Secretary of the Commonwealth, and shall, from thence, be deemed and taken to be the agreement and act of consolidation of the said companies; and a copy of said agreement and act of consolidation, duly certified by the Secretary of the Commonwealth, under the seal thereof, shall be evidence of the existence of said new corporation.

Sec. 3. Upon the making and perfecting the agreement and act of consolidation, as provided in the preceding section, and filing the same, or a copy, with the Secretary of the Commonwealth, as aforesaid, the several corporations, parties thereto, shall be deemed and taken to be one corporation, by the name provided in said agreement and act, possessing within this Commonwealth, all the rights, privileges and franchises, and subject to all the restrictions, disabilities and duties of each of such corporations, so consolidated.

Sec. 4. Upon the consummation of said act of consolidation, as aforesaid, all and singular, the rights, privileges and franchises of each of said corporations, parties to the same, and all the property, real, personal and mixed, and all debts, due on whatever account, as well as of stock, subscriptions, and other things in action, belonging to each of such corporations, shall be taken and deemed to be transferred to, and vested in such new corporation, without further act or deed; and all property, all rights of way, and all and every other interests, shall be as effectually the property of the new corporation, as they were of the former corporations, parties by said agreement; and the title to real estate, either by deed or otherwise, under the laws of this Commonwealth, vested in either of such corporations, shall not be deemed to revert, or be in any way impaired by reason of this act: *Provided*, That all rights of creditors, and all liens upon the property of either of said corporations, shall be preserved unimpaired, and the respective corporations may be deemed to continue in existence, to preserve the same; and all debts, liabilities and duties of either of said Companies, shall thenceforth attach to said new corporation, and be enforced against it, to the same extent, as if said debts, liabilities and duties had been incurred or contracted by it.

Sec. 5. Such new Company shall, as soon as convenient, after such consolidation, establish such offices as may be desirable, one of which shall be at some point in this Commonwealth, on the line of its road, and may change the same at pleasure, giving public notice thereof, in some newspaper published on the line of said road.

Sec. 6. Suits may be brought and maintained against such new Company, in any of the courts of this Commonwealth for all causes of action, in the same manner as against other Railroad Companies therein.

Sec. 7. That portion of the road, of such consolidated Company, in this Commonwealth, and all its real estate and other property, shall be subject to like taxation, and assessed in the same manner and with like effect as property of other Railroad Companies within this Commonwealth.

Sec. 8. Any Stockholder of any Company hereby authorized to consolidate with any other, who shall refuse to convert his stock into the stock of the consolidated Company, may, at any time within thirty days after the adoption of the said agreement of consolidation, by the Stockholders, as in this act provided, apply by petition to the Court of Common Pleas of the County in which the chief office of said Company may be kept, or to a judge of said Court, in vacation, if no such Court sits within said period, on reasonable notice to said Company, to appoint three disinterested persons to estimate the damage, if any, done to such Stockholder by said proposed consolidation, and whose award, or that of a majority of them, when confirmed by the said Court, shall be final and conclusive, and the persons so appointed shall also appraise said stock of such stockholder, at the full market value thereof, without regard to any depreciation or appreciation, in consequence of the said consolidation, and the said Company may, at its election, either pay to the said Stockholder the amount of damages so found and awarded, if any, or the value of the stock, so ascertained and determined, and upon the payment of the value of the stock, as aforesaid, the said Stockholder shall transfer the stock so held by him, to said Company, to be disposed of by the Directors of said Company, or be retained for the benefit of the remaining Stockholders; and in case the value of said stock as aforesaid, is not so paid within thirty days from the filing of the said award and confirmation by said Court, and notice to said Company, the damages so found and confirmed, shall be a judgement against said Company, and collected as other judgements in said Court, are by law recoverable.

Approved March 24, A. D., 1865.

AN ACT

Further Supplementary to an act regulating railroad companies, approved the 19th day of February, A. D., 1849.

Sec. 1. Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania in General Assembly met, and it is hereby

enacted by the authority of the same, That it shall and may be lawful for any Railroad Company or corporation *duly organized* under the laws of the State, for the purpose of constructing a railroad, either wholly within or partly within partly without this State, under authority of this and any adjoining State to and merge and consolidate its capital stock, franchises and property with any other railroad company or companies, or corporations organized under the laws of this or any other State, whenever the two or more railroads of the companies or corporations so to be consolidated shall or may form, when constructed, a continuous line of railroad with each other, or by means of any intervening railroad; and such consolidation may be effected in accordance with the laws of this Commonwealth, either under special or general statutes of other States.

Approved April 26, A. D., 1870.

AN ACT

RELATING TO CERTAIN CORPORATIONS.

Sec. 1. *Be it enacted*, by the Senate and House of Representatives of the Commonwealth of Pennsylvania in General Assembly met, and it is hereby enacted by the authority of the same, That it shall and may be lawful for any Railroad Company created by and existing under the laws of this Commonwealth, from time to time to purchase and hold the stock and bonds, or either, of any other Railroad Company or Companies, chartered by or of which the road or roads is or are authorized to extend into this Commonwealth; and it shall be lawful for any Railroad Companies to enter into contracts for the use or lease of any other Railroads, upon such terms as may be agreed upon with the Company or Companies owning the same, and to run, use and operate such road or roads in accordance with such contract or lease: *Provided*, That the roads of the Companies so contracting or leasing, shall be directly, or by means of intervening Railroads, connected with each other.

Approved April 23, A. D., 1861.

AN ACT

Supplementary to an act relating to certain corporations, approved the 23d day of April, A. D., 1861.

Sec. 1. *Be it enacted* by the Senate and House of Representatives of the Commonwealth of Pennsylvania in General Assembly met, and it is hereby enacted by the authority of the same, That it shall and may be lawful for any railroad company or companies, created by or existing under the laws of this Commonwealth, from time to time, to purchase and hold the stock and bonds, or either, or to agree to purchase or guarantee the payment of the principal or interest, or either of the bonds of any other railroad company or companies chartered by it, or existing under the laws of any other State.

Approved March 17, A. D., 1869.

Companies organized under the Free Railroad Laws of Ohio, Indiana and Illinois, to build the Ohio, Indiana and Illinois Divisions of The People's Freight Railway may be consolidated with the People's Freight Railway Company immediately; and before the construction of their roads.

When the Ohio, Indiana and Illinois Divisions are consolidated with it, The People's Freight Railway Company will be an interstate corporation and a proper subject for congressional control.

A corporation organized under the Free Railroad law of New Jersey, to construct the New Jersey Division of The People's Freight Railway may be consolidated with the People's Freight Railway Company after its railroad has been constructed. The foregoing last two laws show how the New Jersey Division may be controlled while being constructed.

AN ACT

TO AUTHORIZE THE FORMATION AND REGULATION OF RAILROAD COMPANIES.

Sec. 1. *Be it enacted, By the Senate and House of Representatives of the Commonwealth of Pennsylvania, in General Assembly met, and it is hereby enacted by the authority of the same,* That any number of Citizens of Pennsylvania not less than nine, may form a company for the purpose of constructing, maintaining and operating a railroad for public use in the conveyance of persons and property, or for the purpose of maintaining and operating any unincorporated railroad already constructed for like public use; and for that purpose may make and sign articles of association, in which shall be stated the name of the company, the number of years the same is to continue, the places from and to which the road is to be constructed, or maintained and operated, the length of such road as near as may be, and the name of each County in the State through or into which it is made or intended to be made, the amount of the capital stock of the company, which shall not be less than ten thousand dollars for every mile of road constructed or proposed to be constructed, and the number of shares of which said capital stock shall consist, and the names and places of residence of a President, and not less than six nor more than twelve Directors of the company, who shall manage its affairs for the first year, and until others are chosen in their places; each subscriber to such articles of association shall subscribe thereto his name, place of residence, and the number of shares of stock he agrees to take in said company; on compliance with the provisions of the second section of this supplement, such articles of association shall be acknowledged by at least three of the Directors before some officer competent to take acknowledgements of deeds in the County where the principal office is designed to be located, and may be filed in the office of the Secretary of the Commonwealth, who shall endorse thereon the day on which they were filed and record the same in a book to be provided by him for that purpose; and thereupon the said articles of association shall become and be a charter for the said company. And the persons who have so subscribed such articles of association, and all persons who shall become Stockholders in such company, shall be a corporation by the name specified in such articles of association or charter, and shall possess the powers and privileges following, to wit:

First, To have succession by its corporate name for the period limited in its articles of association.

Second, To sue and be sued, complain and defend in any court of law or equity.

Third, To make and use a common seal and alter the same at pleasure.

Fourth, To hold, purchase and convey such real and personal estate as the purposes of the corporation shall require. not exceeding the amount limited in the articles of association.

Fifth, To appoint such subordinate officers and agents as the business of the corporation shall require, and to allow them a suitable compensation.

Sixth, To make by-laws not inconsistent with any existing law for the management of its property and regulation of its affairs, and for the transfer of its stock.

Sec. 2. Such articles of association shall not be filed and recorded in the office of the Secretary of the Commonwealth until at least nine thousand dollars of stock for every mile of railroad proposed to be made is subscribed thereto, and ten per centum paid thereon in good faith and in cash to the Directors named in said articles of association. Nor until there is endorsed thereon or annexed thereto an affidavit made by at least three of the Directors named in said articles that the amount of stock required by this section has been in good faith subscribed and ten per centum paid in cash thereon as aforesaid, and that it is intended in good faith to construct or to maintain and operate the road mentioned in such articles of association; which affidavit shall be recorded with the article of association as aforesaid.

Sec. 3. A copy of an article of association filed and recorded in pursuance of this act or of the record thereof, with a copy of the affidavit aforesaid endorsed thereon or annexed thereto and certified to be a copy by the Secretary of the commonwealth or his deputy shall be evidence of the incorporation of such company, and of the facts therein stated.

Sec. 4. When such articles of association and affidavit are filed and recorded in the office of the Secretary of the Commonwealth, the Directors named in said articles of association shall in case the whole of the capital stock is not before subscribed, keep open books of subscription at their general office, and at such other places as they may deem expedient to fill up the capital stock of the company, giving such notice as they may deem expedient, and shall continue to receive subscriptions until the whole capital stock is subscribed; at the time of subscribing every subscriber shall pay to the Directors ten per centum of the amount subscribed by him in money, and no subscription shall be received or taken without such payment.

Sec. 5. Whenever the forgoing provisions have been complied with, the persons named as corporators in such articles of association are fully authorized to carry into effect the objects named therein, as fully as any corporation heretofore created under any special act of the Legislature; and said corporation thus created shall be entitled to exercise all the rights, powers and privileges and be subject to all restrictions and liabilities of the act regulating railroad companies, approved the nineteenth day of February, one thousand eight hundred and forty-nine, and the several supplements thereto as fully and as effectually as if said powers were specially incorporated in said charter; and the said company shall commence the proposed road if not more than fifty miles in length with at least one track, within two years from their organization as aforesaid, and prosecute the work on the same with due diligence, and open and complete the same within five years, and shall have an additional six months to complete their road for each twenty-five miles more than the fifty miles aforesaid, *Provided*, the road shall be opened for use in all cases when fifty miles in length of track are laid.

Sec. 6. Whenever any railroad company created and incorporated under the provisions of this act shall, in the opinion of the Directors thereof, require an increased amount of capital stock in order to complete and equip their road and carry out the full intent and meaning of their charter, they shall, if authorized by a majority of the Stockholders at a meeting called for that purpose, file with the Secretary of the Commonwealth a certificate setting forth the amount of such desired increase, and thereafter such company shall be entitled to have such increased capital as is fixed by said certificate; *provided*, that the original amount of stock and increased capital shall in no case exceed the sum of sixty thousand dollars per mile.

Sec. 7. The number of managers of any company incorporated in pursuance of this act shall be a President, and not less than six nor more than twelve Directors, as shall be fixed by the corporators thereof, at their first meeting to choose Directors of said company, a majority of whom shall be citizens of this Commonwealth.

Sec. 8. The President and Directors of any railroad company created under this act, shall have power to borrow money not exceeding the amount of capital stock subscribed, and issue the bonds of the company therefor in such amounts as shall not exceed double the amount actually paid up of the capital stock subscribed, the proceeds whereof shall be actually expended in the construction and equipment of their road; these bonds to be payable at such time not exceeding fifty years after the date thereof, and at such place and at such rate of interest

not exceeding seven per centum, as said Directors may deem best, and may secure the payment of said bonds and interest by a mortgage on the said road and franchises.

Sec. 9. Any company incorporated under this act shall have authority to construct such branches from its main line as it may deem necessary to increase its business and accommodate the trade and travel of the public.

Sec. 10. Companies formed under the provisions of this act shall have the right to construct roads so as to cross at grade the track or tracks of any other railroad in this Commonwealth; provided, however, that the cost of making and keeping such crossing in repair shall be borne by the company whose road crosses the track or tracks of another: and provided further, that the company whose road crosses the track or tracks of another shall keep at such crossings as many persons as may be requisite to give the necessary signals to prevent accidents.

Sec. 11. Companies whose roads shall be constructed under the provisions of this act shall have the right to connect their roads with roads of a similar character within this Commonwealth or at the line thereof, upon such terms as may be agreed upon by those who have the management of said roads; and in case of failure of an agreement on the part of those having the management of said roads then, and in that case either of said parties may apply to the Court of Common Pleas within the jurisdiction in which said connection is proposed to be made, whose duty it shall be to appoint a jury of three disinterested men, who shall determine and fix said terms, which, when approved by said court, shall be conclusive.

Sec. 12. This act shall not be so construed as to authorize the formation of street passenger railway companies to construct passenger railways under or by virtue of its provisions in any city or borough of this Commonwealth, nor to authorize any corporation formed under this act to enter upon and occupy any street, lane or alley in any incorporated city in this Commonwealth without the consent of such city having been first obtained.

Sec. 13. All acts or parts of acts inconsistent herewith are hereby repealed, so far as they may affect any corporation that may be organized under this act; and the Legislature hereby reserves the right to alter, amend or repeal this act at any time in such manner however as to do no injustice to corporators.

Approved April 4, 1865.

AN ACT

REGULATING RAILROAD COMPANIES.

Sec. 1. *Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania, in General Assembly met, and it is hereby enacted by the authority of the same,* That whenever a special act of the General Assembly shall hereafter be passed, authorizing the incorporation of a Company for the construction of a railroad within this Commonwealth, the Commissioners named in such act, or any five of them, shall have power to open books for receiving subscriptions to the capital stock of such Company, at such time or times, and at such place or places as they may deem expedient, after having given at least twenty days notice, in one or more newspapers, published in the county where books of subscription are to be opened; and at the times and places so designated and named in the public notices to be given, as aforesaid, the said Commissioners, or any two of them, shall attend and furnish to all persons duly qualified, who shall offer to subscribe, an opportunity of so doing; and it shall be lawful for all such persons, and for all firms and copartnerships, by themselves or by persons duly authorized, to subscribe for shares in said stock; and the said books shall be kept open at least six hours in every day, for the term of three juridical days, or until there shall have been subscribed the whole number of shares authorized by the special act; and if at the expiration of three days, the books aforesaid shall not have the number of shares therein subscribed, the said Commissioners may adjourn from time to time, and to such places as they may deem proper until the whole number of shares authorized, as aforesaid, shall be subscribed, of which adjournment the Commissioners aforesaid shall

give such public notice as the occasion may require; and when the whole number of shares shall be subscribed, the books shall be closed; *Provided, always,* That no subscription for such stock shall be valid unless the party or parties making the same, shall, at the time of subscribing, pay to the said Commissioners five dollars on each and every share subscribed, for the use of the Company.

Sec. 2. That when ten per centum on the capital stock, as provided by any special act of incorporation, shall have been subscribed, and five dollars paid on each and every share, as aforesaid, the said Commissioners or such of them as shall have acted, shall certify to the Governor, under their hands and seals, the names of the subscribers and the number of shares subscribed by each, and that five dollars on each share have been paid, whereupon the Governor shall, by letters patent, under his hand and the seal of the Commonwealth, create and constitute the subscribers, and if the subscription be not full at the time, those who shall thereafter subscribe to the number of shares aforesaid, their successors and assigns, into a body politic and corporate, in deed and in law, by the name, style, and title designated by the special act of Assembly; and by the said name, style and title, the said subscribers shall have perpetual succession, with all the privileges, franchises, and immunities incident to a corporation, and be able to sue and be sued, plead and be impleaded, in all courts of record and elsewhere, and to purchase, receive, have, hold, use, and enjoy to them and their successors, goods, chattles, and estate, real and personal, of what kind or nature soever, and the same from time to time, to sell, exchange, mortgage, grant, alien or otherwise dispose of, and to make dividends of such portion of the profits as they may deem proper; and also to make and have a common seal, and the same to alter and renew at pleasure, and also to ordain, establish, and put in execution such by-laws, ordinances and regulations as shall appear necessary or convenient for the government of said corporation, not being contrary to the Constitution and laws of the United States, or of this Commonwealth, and generally to do all and singular, the matters and things which to them it shall lawfully appertain to do for the well being of said corporation, and the due ordering and management of the affairs thereof; *Provided,* that nothing herein contained shall be construed as in any way giving to such corporation any banking privileges whatever, or any other liberties, privileges or franchises, but such as may be necessary or convenient to the procuring, owning, making, maintaining, regulating and using the railroad, the locomotives, machinery, cars and other appendages thereof, and the conveyance of passengers, the transportation of goods, merchandise and other commodities thereon; *and provided further,* that such company shall not purchase or hold any real estate except such as may be necessary or convenient for the making and constructing of their railroad, or for the furnishing of their railroad, or for the furnishing of materials therefor, and for the accommodation of depots, offices, warehouses, machine shops, toll houses, engine and water stations, and other appropriate appurtenances, and for the persons and things employed, or used in and about the same.

Sec. 3. That the Commissioners named as aforesaid, or such of them as shall have acted, shall as soon as conveniently may be after the said letters patent shall be obtained, appoint a time and place for the subscribers to meet to organize the company, and shall give at least two weeks notice thereof in the manner provided for in the first section of this act; and the said subscribers, when met, shall elect, by a majority of the votes present, to be given in person or by proxy, a President and twelve Directors, the President and a majority of whom shall be resident citizens of this Commonwealth, and shall be owners respectively of at least three shares in the stock of such company; and the said President and Directors shall conduct and manage the affairs and business of said company until the second Monday in January then next ensuing, and until others are chosen; and may make, ordain and establish such by-laws, rules, orders and regulations, and perform such other matters and things as are by this act authorized; *provided,* that in case of the resignation, death or removal of the President, the Directors shall, by a majority of votes, supply the vacancy until the next annual election.

Sec. 4. That the Stockholders of such company shall meet on the second Monday in January in every year, at such place as may be fixed on by the by-laws, of which notice shall be given at least two weeks previously by the Secretary, in the manner before mentioned, and choose, by a majority of the votes present, a President and twelve Directors, qualified as aforesaid, for the

ensuing year, who shall continue in office until the next annual election, and until others are chosen; at which annual meeting the said Stockholders shall have full power and authority to make, alter or repeal, by a majority of votes given, any or all such by-laws, rules, orders and regulations as aforesaid, and do and perform every other corporate act authorized by their charter; the stockholders may meet at such other times and places as they be summoned by the President and Directors, in such manner and form, and giving such notice as may be prescribed by the by-laws; and the President, on the request in writing of any number of Stockholders representing not less than one-tenth in interest, shall call a special meeting, giving the like notice, and stating specifically the objects of the meeting; and the objects stated in such notice, and no other, shall be acted on at such special meeting.

Sec. 5. The elections for Directors provided for in this act, shall be conducted as follows, to wit: at the first election the Commissioners shall appoint three stockholders to be judges of the said election, and to hold the same; and at every succeeding election the Directors, for the time being, shall appoint three stockholders for the like purpose; and the persons so appointed by said Commissioners and Directors shall not be eligible to an election as a Director at said election, and shall respectively take and subscribe an oath or affirmation before an Alderman or Justice of the Peace, well and truly and according to law, to conduct such election to the best of their knowledge and ability; and the said judges shall decide upon the qualifications of voters, and when the election is closed shall count the votes and declare who have been elected; and if at any time it shall happen that an election of Directors shall not be made at the time specified, the corporation shall not for that reason be dissolved; but it shall be lawful to hold and make such election of Directors, on any day within three months thereafter, by giving at least ten days previous notice of the time and place of holding said election in the manner aforesaid; and the Directors of the preceding year shall in that case continue in office, and be invested with all powers belonging to them as such, until others are elected in their stead; in case of the death or resignation of a Director, or a failure to elect in case of a tie vote, the vacancy may be filled by the Board of Directors; at all general meetings or elections by the stockholders, each share of stock shall entitle the holder thereof to one vote, and each ballot shall have endorsed thereon the number of shares thereby represented; but no share or shares transferred within sixty days next preceding any election, or general meeting of the stockholders, shall entitle the holder or holders thereof to vote at any such election or general meeting; nor shall any proxy be received or entitle the holder to vote, unless the same shall bear date, and have been duly executed within the three months next preceding such election or general meeting.

Sec. 6. The President and Directors of such company, for the time being, are hereby authorized and empowered to exercise all the powers granted to the corporation; they shall meet at such times and places as shall be by them deemed most convenient for the transaction of their business, and when met, seven shall be a quorum to do business; the President, if present, shall preside at all meetings of the Board, and when absent, the Board shall appoint a President *pro tem.*; they shall keep minutes of their proceedings fairly entered in a suitable book to be kept for that purpose; they shall choose a Secretary and Treasurer, and may appoint or employ all such officers, engineers, agents, superintendents, artisans, workmen or other persons as in their opinion may be necessary or proper in the management of the affairs and business of said corporation at such times, in such manner, and under such regulations as they may from time to time determine; they shall fix the amount of the salaries and wages of such officers and persons employed by them, and they may require bond, with security in such amounts as they may deem necessary, of each or any of said officers or other persons by them appointed or employed, for the faithful discharge of their duties, and generally to do all such other acts, matters and things, as by this act and the by-laws and regulations of the said company they may be authorized to do.

Sec. 7. The President and Directors of such company first chosen shall procure certificates or evidences of stock for all the shares of such company, and shall deliver one or more certificates or evidences, signed by the President, countersigned by the Treasurer, and sealed with the common seal of the corporation, to each person or party entitled to receive the same, according to the number of shares by him, her or them respectively subscribed or held; which

certificates or evidences of stock shall be transferable at the pleasure of the holder in a suitable book or books to be kept by the company for that purpose, in person or by attorney duly authorized, in the presence of the President or Treasurer, subject, however, to all payments due or to become due thereon; and the assignee or party to whom the same shall have been so transferred, shall thereupon be a member of said corporation, and have and enjoy all the immunities, privileges and franchises, and be subject to all the liabilities, conditions, and penalties incident thereto, in the same manner as the original subscriber would have been: *Provided*, that no certificate shall be transferred so long as the holder thereof is indebted to said company, unless the Board of Directors shall consent thereto. *And provided*, that no such transfer of stock shall have the effect of discharging any liabilities or penalties theretofore incurred by the owner thereof.

Sec. 8. The capital stock of such company shall be divided into shares of fifty dollars each, and shall be called in and paid at such times and places, and in such proportions and instalments, not however, exceeding five dollars per share in any period of thirty days, as the Directors shall require, of which public notice shall be given for at least two weeks next preceding the time or times appointed for that purpose, in the manner above mentioned; and if any Stockholder shall neglect to pay such proportion or instalment so called for at the time and place appointed, he, she, or they shall be liable to pay, in addition to the proportion or instalment so called for, at the rate of one per cent. per month for the delay of such payment; and if the same and the additional penalty, or any part thereof, shall remain unpaid for the period of six months, he, she, or they shall, at the discretion of the Directors, forfeit to the use of the Company all right, title, and interest in and to every and all share or shares, on account of which such default in payment may be made as aforesaid, or the Directors may, at their option, cause suit to be brought before any competent tribunal, for the recovery of the amount due on such shares, together with the penalty of one per cent. per month as aforesaid; and in the event of a forfeiture, the share or shares so forfeited may be disposed of at the discretion of the President and Directors under such rules and regulations as may be prescribed by the by-laws. No Stockholder shall be entitled to vote at any election, nor at any general or special meeting of the Company, on whose share or shares any instalment or arrearages may be due more than thirty days next preceding said election or meeting: *Provided*, That no forfeiture of stock shall release or discharge the owner thereof from any liabilities or penalties incurred prior to the time of such forfeiture.

Sec. 9. That the dividends of so much of the profits of such Company as shall appear advisable to the Directors shall be declared in the months of July and January, in each and every year, and be paid to the Stockholders or their legal representatives, on application at the office of such Company at any time after the expiration of ten days from the time of declaring the same; but the said dividends shall in no case exceed the amount of the net profits actually acquired by the Company, so that the capital stock shall never be impaired thereby; and if the said Directors shall make any dividend which shall impair the capital stock of the Company, the Directors consenting thereto shall be liable, in their individual capacities, to such Company for the amount of the capital stock so divided, recoverable by action of debt as in other cases; and each Director present when such dividend shall be declared, shall be considered as consenting thereto, unless he forthwith enter his protest on the minutes of the Board, and give public notice to the Stockholders of the declaring of such dividends.

Sec. 10. That the President and Directors of such Company shall have power and authority by themselves, their engineers, superintendents, agents, artisans, and workingmen, to survey, ascertain, locate, fix, mark, and determine such route for a railroad as they may deem expedient, not, however, passing through any burying-ground or place of public worship, or any dwelling-house in the occupancy of the owner or owners thereof, without his, her, or their consent, and not except in the neighborhood of deep cuttings, or high embankments, or places selected for sidelings, turnouts, depots, engine or water stations, to exceed sixty feet in width, and thereon to lay down, erect, construct, and establish a railroad, with one or more tracks, with such branches or lateral roads as may be, specially authorized, and with such bridges, viaducts, turnouts, sidelings, or other devices as they may deem necessary or useful between the points named

in the special act incorporating such Company, commencing at or within, and extending to or into, any town, city or village, named as the place of beginning or terminus of such road; and in like manner, by themselves, or other persons by them appointed or employed as aforesaid, to enter upon and into, and occupy all land on which the said railroad or depots, warehouses, offices, toll-houses, engine and water stations, other buildings or appurtenances hereinbefore mentioned may be located, or which may be located, or which may be necessary or convenient for the erection of the same, or for any purpose necessary or useful in the construction, maintenance, or repairs of said railroad, and thereon to dig, excavate, and embank, make, grade, and lay down, and construct the same; and it shall in like manner be lawful for such Company, their officers, agents, engineers, contractors, or workmen, with their implements and beasts of draught or burden, to enter upon any land adjoining or in the neighborhood of their railroad, so to be constructed, and to quarry, dig, cut, take, and carry away therefrom any stone, gravel, clay, sand, earth, wood, or other suitable material necessary or proper for the construction of any bridges, viaducts, or other buildings which may be required for the use, maintenance, or repairs of said railroad: *Provided*, That before such Company shall enter upon or take possession of any such lands or materials, they shall make ample compensation to the owner or owners thereof, or tender adequate security therefor: *Provided further*, That the timber used in the construction or repair of said railroad shall be obtained from the owner thereof, only by agreement or purchase: *And provided further*, That whenever any company shall locate its road in and upon any street or alley, in any city or borough, ample compensation shall be made to the owners of lots fronting upon such street or alley, for any damages they may sustain, by reason of any excavation or embankment made in the construction of such road, to be ascertained as other damages are authorized to be ascertained by this Act.

Sec. 11. That when the said Company cannot agree with the owner or owners of any lands or materials, for the compensation proper for the damages done or likely to be done to, or sustained by any such owner or owners of such lands or materials, which such Company may enter upon, use or take away, in pursuance of the authority hereinbefore given, or by reason of the absence or legal incapacity of any such owner or owners, no such compensation can be agreed upon, the Court of Common Pleas of the proper county, on application thereto by petition either by said Company or owner or owners, or any one in behalf of either, shall appoint seven discreet and disinterested freeholders of said county, neither of whom shall be residents or owners of property upon or adjoining the line of such railroad, and appoint a time, not less than twenty nor more than thirty days thereafter, for said viewers to meet at or upon the premises where the damages are alleged to be sustained, of which time and place ten days' notice shall be given to the petitioner to the said viewers and the other party; and the said viewers or any five of them having been first duly sworn or affirmed, faithfully, justly, and impartially to decide, and true report to make concerning all matters and things to be submitted to them, and in relation to which they are authorized to inquire in pursuance of the provisions of this Act, and having viewed the premises, they shall estimate and determine the quantity, quality, and value of said lands so taken or occupied, or to be so taken or occupied, or the materials so used or taken away, as the case may be, and having due regard to and making just allowance for the advantages which may have resulted, or which may seem likely to result to the owner or owners of said land or materials, in consequence of the making or opening of said railroad, and of the construction of works connected therewith; and after having made a fair and just comparison of said advantages and disadvantages, they shall estimate and determine whether any, and if any, what amount of damage has been or may be sustained, and to whom payable, and make report thereof to the said Court; and if any damages be awarded, and the report be confirmed by said Court, judgment shall be entered thereon; and if the amount thereof be not paid within thirty days after the entry of such judgment, execution may then issue thereon as in other cases of debt, for the sum so awarded, and the cost and expenses incurred shall be defrayed by the said Railroad Company; and each of said viewers shall be entitled to one dollar and fifty cents per day for every day necessarily employed in the performance of the duties herein prescribed, to be paid by such Railroad Company.

Sec. 12. That whenever, in the construction of such road or roads, it shall be necessary to cross or intersect any established road or way, it shall be the duty of the President and Directors of the said Company, so to construct the said road across such established road or way, as not to impede the passage or transportation of persons or property along the same: and that for the accommodation of all persons owning or possessing land through which the said railroad may pass, it shall be the duty of such Company to make or cause to be made, a good and sufficient causeway or causeways, whenever the same may be necessary to enable the occupant or occupants of said lands to cross or pass over the same, with wagons, carts, and implements of husbandry, as occasion may require; and the said causeway or causeways, when so made, shall be maintained and kept in good repair by such Company; and if the said Company shall neglect or refuse, on request to make such causeway or causeways, or when made, to keep the same in good order, the said Company shall be liable to pay any person aggrieved thereby, all damages sustained by such person in consequence of such neglect or refusal; such damages to be assessed and ascertained in the same manner as provided in the last section for the assessment of damages; *Provided*, That the said Company shall, in no case, be required to make or cause to be made, more than one causeway through each plantation or lot of land, for the accommodation of any one person owning or possessing land through which the said railroad may pass; and where any public road shall cross such railroad, the person owning or possessing land through which the said public road may pass, shall not be entitled to require the Company to erect or keep in repair any causeway or bridge for the accommodation of the occupant of said land.

Sec. 13. That if any such Railroad Company shall find it necessary to change the site of any portion of any turnpike or public road, they shall cause the same to be reconstructed forthwith at their own proper expense, on the most favorable location, and in as perfect a manner as the original road: *Provided*, That the damages incurred in changing the location of any road authorized by this section, shall be ascertained and paid by such Company in the same manner as is provided for in regard to the location and construction of their own road.

Sec. 14. That in all suits or actions against such Company, the service or process on the President, Secretary, Treasurer, Engineer, Agent, or any Director of the same, shall be good and available in law; but no suit or action shall be prosecuted by any person or persons, for any penalties incurred under this Act, unless such suit or action shall be commenced within two years next after the offence committed or cause of action accrued; and the defendants in such suit or action may plead the general issue, and give this Act and the special matter in evidence, and that the same was done in pursuance and by authority of this Act.

Sec. 15. That if any person or persons shall wilfully and knowingly break, injure, or destroy, any railroad authorized by special Act of Assembly, or any part thereof, or any edifice, device, property or work, or any part thereof, or any machinery, engine, car, implement, or utensil, erected, owned, or used by such Company, in pursuance of this Act, he, she or they so offending, shall forfeit and pay to such Company, three times the actual damage so sustained, to be sued for and recovered with full costs, before any tribunal having cognizance thereof, by action in the name and for the use of the Company.

Sec. 16. That if any person or persons shall wilfully and maliciously remove or destroy any part of the road, property, buildings, or other works, belonging to such Company, or place, designedly and with evil intent, any obstruction on the line of such railroad, so as to jeopard the safety of or endanger the lives of persons traveling on or over the same, such person or persons so offending shall be deemed guilty of a misdemeanor, and shall, on conviction, be imprisoned in the county jail or penitentiary, at the discretion of the court, for a term not more than three years; *Provided*, That nothing herein contained shall prevent the Company from pursuing any other appropriate remedy at law in such cases.

Sec. 17. That at each annual meeting of the stockholders of any such Company, the President and managers of the preceding year shall exhibit to them a full and complete statement of the affairs and proceedings of the Company for such year, with all such matters as shall be necessary to convey to the stockholders a full knowledge of the condition and affairs of said Company; and the said President and Directors of every such Company shall, whenever required,

furnish to the Legislature, or either branch thereof, a full and authentic report of their affairs and transactions, or such information relating thereto as may be demanded of them.

Sec. 18. That upon the completion of any railroad authorized as aforesaid, the same shall be esteemed a public highway for the conveyance of passengers, and the transportation of freight, subject to such rules and regulations, in relation to the same, and to the size and construction of wheels, cars and carriages, the weight of loads, and all other matters and things connected with the use of said railroad, as the President and Directors may prescribe and direct: *Provided*, That the said Company shall have the exclusive control of the motive power, and may from time to time establish, demand, and receive such rates of toll or other compensation, for the use of such road and of said motive power, and for the conveyance of passengers, the transportation of merchandise and commodities, and the cars, or other vehicles containing the same, or otherwise passing over or on the said railroad, as to the President and Directors shall seem reasonable: *Provided, however, nevertheless*, That said rates of toll and motive power charges so to be established, demanded, or received, when the cars used for such conveyance or transportation are owned or furnished by others, shall not exceed two and one-half cents per mile for each passenger, three cents per mile for each ton of two thousand pounds of freight, three cents per mile for each passenger or baggage car, and two cents per mile for each burden or freight car, every four wheels being computed a car; and in the transportation of passengers no charge shall be made to exceed three cents per mile for through passengers, and three and a half cents per mile for way passengers.

Sec. 19. *That if any Company incorporated as aforesaid, shall not commence the construction of their proposed railroad within three years, and complete and open the same for use, with at least one track, within the term prescribed by the special act authorizing the same, or if after completion the said railroad shall be suffered to go into decay, and be impassable for the term of two years, then this charter shall be null and void, except so far as to compel the said Company to make reparation for damages.*

Sec. 20. That if any Company incorporated as aforesaid, shall at any time misuse or abuse any of the privileges granted by this act, or by the special act of incorporation, the Legislature may revoke all and singular the rights and privileges so granted to such Company; and the Legislature hereby reserves the power to resume, alter or amend any charter granted under this act, and take for public use any road constructed in pursuance of such charter; *Provided*, That in resuming, altering, or amending said charters, no injustice shall be done to the corporators; and that in taking such roads for public use, full compensation shall be made to the stockholders.

APPROVED—The nineteenth day of February, one thousand eight hundred and forty-nine.

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